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Daily Report

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Cuba

Havana radio airs two GRANMA commentaries published on 5 May denouncing the U.S. "military presence buildup" at Guantanamo and "an increase in the number of provocations." It "can only be understood as a vile attempt to fabricate possible incidents and intensify tensions in the region. Using the events in Haiti as an excuse, that naval installation has been reinforced with Marines, helicopters, and other war equipment with which they have conducted provocative maneuvers. On several occasions, the airspace has been violated and there has been even shooting in the direction of the buffer zone, GRANMA writes. The U.S. Government should respond to international public opinion about what it is preparing in Guantanamo." "Our duty is to be prepared for any contingency." A second GRANMA commentary says, "The massive deployment of military resources" by the U.S. "constitutes a contradiction at a time when political discourse in the world is characterized by a call for detente and a decrease in exercises and maneuvers in view of the end of the East-West confrontation and the virtual end of the Cold War." Havana Radio carries a declaration by the Anti-Imperialist Tribunal of Our America, which calls the maneuvers "provocative and dangerous" and "constitute a real threat of an unjust armed intervention against Cuba." "Given this serious situation, of threats and provocations by the neofascist U.S. Government headed by George Bush, TANA energetically condemns these actions."

Peru

In a message to the nation carried by Lima TV and radio, President Fujimori addresses the problem of terrorism and states that the first objective of his government is to "pacify the country" because "peace, justice, and liberty is what 22 million Peruvians demand." Fujimori outlines his plans, which include radicalizing prison terms "by establishing the life sentence" and "increasing other penalties for different forms of terrorism." Fujimori adds that because of "irreparable damage" caused by terrorist attacks on government officials and property, his government is studying "the possibility of reestablishing the death penalty." Fujimori continues by saying that law decrees will soon be published that specify the prison terms for terrorist crimes which include "all actions against the lives, bodies, health, liberty, and personal security of the people" in order to protect the rest of the population. Fujimori concludes by saying that his government will "quell" terrorist actions with the "help of the police and the people."

During two days of meetings, the OAS delegation met with prominent groups in Lima, President Fujimori, Maximo San Roman, the Armed Forces Joint Command, and representatives of the political parties within the dissolved Congress, Lima TV reports. Following discussions with the delegation, former Senator Enrique Bernales states that the second OAS mission does not have the objective of "issuing an ultimate proposal" but instead it is seeking to evaluate the situation and determine if the parties are "being flexible in trying to reach a solution." Uruguayan Foreign Minister Gros Espiell characterizes the meetings to date as "very open, friendly, and positive."

Panama

Panama City radio carries a speech by President Endara during which he reads a "Presidential Declaration of Urgent Measures for Colon Province." The 26-point document includes the announcement that "a zone of provincial emergency" will be declared by executive decree next week. Endara also announces the creation of a "top-level commission" whose basic task will be "to establish an overall plan for Colon Province." The commission will prepare its first report in three months. Endara appealed to members of Midesco to accept the declaration. Meanwhile, Colon District Mayor Alcibiades Gonzalez has declared a curfew beginning at 2200, Panama City radio reports.

Cuba

Guantanamo 'Buildup,' U.S. Maneuvers Denounced

GRANMA Commentary

FL0505153092 Havana Radio Rebelde Network
in Spanish 1212 GMT 5 May 92

[GRANMA 5 May commentary: "What Is the United States Preparing in Guantanamo?"]

[Text] During the last few months there has been a U.S. military presence buildup at Guantanamo Naval Base and an increase in the number of provocations. That can only be understood as a vile attempt to fabricate possible incidents and intensify tensions in the region. Using the events in Haiti as an excuse, that naval installation has been reinforced with Marines, helicopters, and other war equipment with which they have conducted provocative maneuvers. On several occasions, the airspace has been violated and there has been even shooting in the direction of the buffer zone.

Toward the end of November, several U.S. news agencies—citing the CBS Television Network—reported that spokesmen of the Bush administration had affirmed that the plan was to send to Guantanamo several hundred soldiers under the command of a Marine general to establish a tent city to house many of the 10,000 Haitian refugees. However, what was begun was a deployment to Guantanamo of troops and equipment of the 20th Joint Task Force, FTC-20. The task force includes U.S. Army, Navy, Marine Corps, and Air Force troops, as part of an operation entitled: Safe Harbor [preceding two words in English]. The operation cleared the way for the arrival, in a very short time, of more than 300 transport aircraft of all kinds.

An element that proves the true purpose of the Pentagon—using the Haitian excuse to familiarize different types of troops with the scenery of a probable theater of military operations—is the fact that the FTC-20 comprises members of the 10th Light Infantry Rangers Division. We have a right to ask: What do these units, which specialize in mountain operations, have to do with a police-oriented mission? Also, since the beginning of December, members of the 10th Artillery Regiment of the 2d Marine Infantry Division, and more recently, in February, artillery reserve troops have been arriving and have conducted joint firing exercises with 155 mm howitzers. Is it not logical to ask why a task force that is supposed to guard Haitian refugees needs 155 mm howitzers? What is significant is that the artillery troops conducted the firing exercises from a sector only 400 meters from the base gate, instead of the usual firing range inside the base, which is approximately 9 km away from the buffer zone.

In a deplorable and vain attempt to intimidate and threaten, and as evidence of the irresponsibility of the military leaders, during the firing exercises more than 500 howitzer shells were fired, some of which landed

near the buffer zone. That could have resulted in incidents of unpredictable consequences. During the last six months, periodic airspace violations by TA-4J fighters and several different types of helicopters from inside the base, have also been taking place near the edge of the buffer zone. That includes a number of armed planes which have then proceeded to conduct bombing exercises on the base's firing range. Likewise, naval personnel have been continuously increased, and moments of tension have been reached due to the presence of 20 or more naval units. In February, five missile cruisers, and six other U.S. Navy and Coast Guard surface units were at the base at the same time. More recently, in March, a submarine and the LPH-9 Guam helicopter carrier, entered the base under cover of dark, and troop landing exercises were conducted from the ship.

What is extremely provocative is that the military exercises, which are routinely conducted at the base, include preparations for the mass arrival of elements disaffected with the revolution, which supposedly would try to leave the country by entering that naval installation. By doing that, extremely dangerous acts are being promoted. It is an incentive for the crime of illegal departure from the country through an official U.S. installation and represents a considerable danger to the lives of those who might try to leave Cuban territory that way given the fact that it is a very tense military zone and there are very strong defense measures and minefields on the Cuban and the U.S. side.

Such acts could become the beginning of a provocation and give an excuse to intensify the U.S. campaign regarding human rights violations in Cuba which could result in response measures of unpredictable proportions by the United States. This is included in the U.S. contingency plans. High-level U.S. Defense Department officials of Cuban origin, such as Alberto Coll, deputy assistant of special operations and low-intensity conflicts for policy and requirements, and Angel Rebasa, a member of the Pentagon's political planning group, are drafting specific plans for an allegedly humanitarian intervention on the basis of a hypothetical civil war in Cuba.

Does that not reveal the posturing of some people trying to cast upon Cuba the shadow of the Cold War and turn Guantanamo Naval Base into some kind of Berlin Wall. Yet, there is no room for comparisons. We do not stand before an artificially divided city due to political phenomena, but before two heavily armed military bases located within the same region, within the same country, with a kind of a wall built by an illegal occupation that is rejected by almost all Cubans. To encourage illegal departures, knowing well the extremely life-threatening danger that it represents, is a criminal act that can only be conceived when there is a desire to provoke an incident. It is also inconceivable to think that the United States is now turning to this propagandistic tool when lately it has specialized in the construction of walls which could make the former Berlin Wall pale in comparison,

as it is doing now with Mexico, has artificially done with Korea, and is trying to do with Cuba.

It is also significant that a large number of high-level leaders and officials of the U.S. Government have become familiar in the last few months with the theater of military operations at that naval base. So far, this year alone, the two visits by General Colin Powell, chairman of the Joint Chiefs of Staff, and the five visits by Admiral Edney, head of the Atlantic Command to which the Guantanamo Base is subordinated, stand out. Even the chief of the U.S. Interests Section in Cuba—if the information has not been compartmented—must know many of the details of the plans following his recent trip to Guantanamo Naval Base.

Curiously, in the last few weeks, several high-level U.S. military leaders have gone before the Armed Services Committees of the U.S. Senate and House of Representatives to support those hypotheses. They have provided the U.S. congressmen and public with disinformation about a probable and violent social explosion in Cuba and a subsequent disorganized emigration, especially toward the base, due to the possible worsening of our national situation, and on how that situation would become a problem for the security of the United States.

The growing interest in the Cuban situation is accompanied by an increase in the precedence of reporting requirements regarding Cuba's domestic problems. For that reason, the U.S. special services have considerably increased their intelligence collection activities. That priority is related to the decision of the Armed Forces Joint Chiefs of Staff to create a special office to monitor the Cuban situation and keep General Colin Powell systematically informed. Mr. Frank Libutti, the coordinator of the Cuba Group in the Office of the Joint Chiefs of Staff is directly subordinated to General Powell.

The goal of provoking an incident of any kind at Guantanamo for more devastating and aggressive purposes can be seen when we add the intensification of military operations in the region. From 1 January 1989 to 31 December 1991, 523 military reconnaissance flights were conducted against Cuba. From 1 January 1989 to 31 December 1991, the U.S. Tactical Air Forces based in Florida, conducted more than 83,000 flights. The flights reached as close as approximately 100 km to the north of Cuba's western region, where the capital of our republic is located. That is a distance a fighter plane can cover in barely seven or eight minutes.

As part of their contingency plans, during the last few years the U.S. military has concentrated its efforts on training land forces during maneuvers and exercises in the continental United States as well as in other regions of this hemisphere, in tropical weather conditions where the alleged adversaries are equipped and armed with equipment and weapons identical to that of Cuban troops. One of the exercises took place in September and October 1991 by a task force of the 101st Airborne

Division, which is part of the Rapid Deployment Force based at the Joint Combat Readiness Training Center at Fort Chaffee, Arkansas.

To make the exercises at those training centers realistic, there are forces that pose as units of potential U.S. enemies. For example, the opposing force at Fort Irwin can act as an infantry force similar to a Cuban unit known as Los Atlanticos. During the last six months, the U.S. Armed Forces have also intensified their exercises in the Caribbean region with strong naval groups, which include battle groups with the CD-16 America [as heard] and CD-60 Saratoga [as heard] aircraft carriers. The most recent exercise is Ocean Venture 92, in which considerable numbers of assets are participating.

To that military presence we must add the uninterrupted reconnaissance activity with ships, planes, radar, and other types of sensors deployed in the region for the supposed fight against drug trafficking. An average of 10 to 12 ships and 20 to 25 planes belonging to all branches of the Armed Forces are participating every day in the missions in areas close to our country. It is the enormous amount of activity that does not contribute to promoting stability in the region. Therefore, the U.S. Government should respond to international public opinion about what it is preparing for in Guantanamo.

Whatever it is, our duty is to be prepared for any contingency. The only thing that could never be explained, much less justified, is that it was not foreseen and the people were not prepared with all the resources and assets available to the revolution. Under such exceptional circumstances as these, the enemy is aided by those who criticize the efforts to prepare the country for its defense and question whether the right thing is being done with this willingness to devote all the necessary capabilities and means to preserve ourselves in the face of so much hostility and so many threats.

GRANMA Comments Further

*FL0505230092 Havana Radio Rebelde Network
in Spanish 1700 GMT 5 May 92*

[“Commentary” published in GRANMA on 5 May]

[Text] On 1 May the United States began carrying out large military maneuvers in the region. The massive deployment of military resources currently being carried out by U.S. forces in the region constitutes a contradiction at a time when political discourse in the world is characterized by a call for detente and a decrease in exercises and maneuvers, in view of the end of the East-West confrontation and the virtual end of the Cold War. We therefore might do well to ask ourselves against whom these exercises are being directed. Who is the enemy? What is the point of incurring these enormous costs for the U.S. taxpayer at a time when the impact of an economic recession is being strongly criticized in the United States, an economic recession the consequences of which fundamentally affect the nation's social programs?

How else can the maneuvers be interpreted than as an intention by the U.S. governing clique to prepare for possible contingencies in the region, considering, first and foremost, Cuba as a potential enemy, but also so that they can continue their interventionist policy should the likely social explosions occur in Latin America as a consequence of neoconservative policies?

From 1 to 20 May, the Atlantic Command is and will be carrying out the exercise Ocean Venture 92 [name in English] in which more than 30,000 U.S. Navy, Air Force, Marine Corps, and Army troops are participating. According to public information, the maneuvers are being carried out on the east coast of the United States, in the western Atlantic, and in the Caribbean, the purpose of which is to demonstrate the capabilities of a joint force in protecting the national interests of the United States and providing military support to U.S. allies within the Atlantic Command's area of responsibility. According to the sources of the information, the exercise includes air, amphibian, and airborne operations; assaults by air; special operations; maritime interdiction; logistic support; and varied training exercises for operations along the coasts, having to do with port security, as well as with search and rescue operations. The evacuation of personnel from dangerous areas will also be stressed.

The latest military preparations coincide with another extremely dangerous exercise, also scheduled for these first days of May at the naval base that the United States illegally occupies at Guantanamo Bay. They are planning to provide civilian personnel training in evacuation plans with special characteristics.

It has been learned that the general staff of the 18th Airborne Army Corps, as well as troops from various elite units—the 82d Airborne Division, the 101st Airborne Air Assault Division, the 24th Mechanized Infantry Division, the 10th Light Infantry Rangers Division, the 2d Marine Expeditionary Force, and special operations forces—are participating in Ocean Venture 92.

More than 20 warships of various kinds from the Atlantic Fleet, including the flagships of two aircraft carrier battle groups, are covering the maneuver, in addition to part of the maritime forces pre-positioned in the Atlantic. The air resources participating in the exercise belong to the 12th Air Force.

One of the characteristics of Ocean Venture 92 is that it will apply the experience gained during the Persian Gulf war in the use of aviation and other weapons systems.

For Cuba, holding the exercise constitutes one more proof of the fierce hostility of the current U.S. Administration in its eagerness to render the political atmosphere even more difficult and to further increase the tension of the long-standing dispute between Cuba and the United States. Those who think that we in Cuba are raving obsessively and seeing ghosts regarding the probabilities of a military aggression, and those who criticize the efforts and defense spending the nation is forced to

make to prepare the people militarily and to lay the groundwork for confronting a folly of unforeseeable consequences, have in these tacit deeds enough data with which to make their own guesses.

The indication is clear. As long as the expressions of force and hegemony continue to unfold, we will not be able to let down our guard for a single second. To do so would not only be to show unpardonable naivete, but would also constitute an act of irresponsibility characteristic of those who have suicidal tendencies, and we love life too much for that.

TANA Declaration

*FL0605011892 Havana Radio Rebelde Network
in Spanish 2300 GMT 5 May 92*

[Text] We have just received here in our newsroom the declaration of the Anti-Imperialist Tribunal of Our America [TANA], which states the following, verbatim:

TANA, informed of the provocative and dangerous maneuvers the United States is carrying out around the Republic of Cuba with its Navy, Air Force, and Army, as well as the already reported exercises for the evacuation of civilians who reside on Cuban territory illegally taken by the United States, where the Guantanamo Base is installed, constitute a real threat of an unjust armed intervention against Cuba. [sentence as heard]

Given this serious situation, of threats and provocations by the neofascist U.S. Government headed by George Bush, TANA energetically condemns these actions, which violate the norms of international law established in the UN Charter, and calls on all peoples and governments, not only those of our America but of the entire world, to repudiate these cowardly, arrogant actions by U.S. imperialism.

At the same time, through current UN Secretary General Butrus Ghali, TANA urges all the members of the UN General Assembly and those members of the Security Council who are not accomplices of the United States, to express to Washington their disagreement with this aggressive policy and to demand that Washington abstain from carrying out its sinister plans to intervene in Cuba.

TANA wants to make clear its most profound solidarity with the heroic Cuban Government and people, and is sure that if an intervention does take place they will defend with great courage and patriotism, guns in hand, the integrity and sovereignty of their country.

Signed: International TANA President Dr. Guillermo Torrielo Garrido

Raul Castro Stresses Defense Preparedness

*FL0505202992 Havana Radio Progreso Network
in Spanish 1100 GMT 5 May 92*

[Text] Army General Raul Castro, second secretary of the Central Committee of the Communist Party of Cuba, stressed on 4 May in Manzanillo the validity and importance of developing and perfecting the military doctrine of the entire people's war. During a meeting with representatives of the political and mass organizations in that municipality of Granma Province, the minister of the Revolutionary Armed Forces referred to the high cost to the country of the large quantities of resources destined for defense projects. Nevertheless, he stated that today more than ever, it is necessary to strengthen the preparation of the nation to confront and defeat any possible imperialist aggression.

'Moderate Recovery Process' of Economy Noted

*FL0505204492 Havana Radio Progreso Network
in Spanish 1100 GMT 5 May 92*

[Text] Carlos Lage, member of the Politburo of the Communist Party of Cuba, said at a news conference on 4 May that the increase in or resumption of the production of some items in the first quarter of the year is evidence of the moderate recovery process of the Cuban economy. He added that even though it has been predicted that this year will be the most difficult of the special period, there has been an improvement in certain industries and sectors based on measures that are in line with the strategic position of the revolution.

Cooperative Sector Labor Needs Discussed

*FL0605020892 Havana Radio Rebelde Network
in Spanish 2300 GMT 5 May 92*

[Text] How to achieve greater growth in the cooperative movement in Havana Province and consolidate the work of certain agricultural-livestock production cooperatives in the province are important points that have been discussed by the small farmers prior to the Eighth Congress of the National Association of Small Farmers [ANAP]. Here is Basilo Pino Martin, the ANAP president for Havana Province, to give us his opinion.

[Begin Pino recording] There is not the same rate of increase among cooperative members. I mean, the increase in cooperative members has been a bit slower than the increase in the rotation of fields and agricultural production. We can say that we have more than 500 cooperative members...[pauses] we grew by more than 500 cooperative members last year. Nevertheless, the figure is still not good enough. Why? Because we have some 2,200 cooperative members in the small farmer and cooperative sector. However, at this peak moment of the harvest, we need 10,000. So it has never been possible to solve this problem.

However, we have indeed been discussing it, during the last stage in fact, during which there was a meeting with

the commander in chief at which we discussed, among other things, the value of the work force. At that meeting we agreed on the payment already being made to the state, because such payment is already being made by all the cooperatives, to pay the state for the work forces. We also discussed the need to increase the number of cooperative members. Each cooperative must find a way to increase its forces to use voluntary labor only at peak moments during the harvest. But we know that right now, the cooperative sector, with the amount of land it has and the way it is using the land, is not managing to produce all the...[pauses] is not managing to get the total work force it needs. [end recording]

Currently, 38 percent of Havana Province's land belongs to the cooperative and small farmer sector. In the current spring campaign, the province's cooperatives are planning to make great efforts, which translates into the planting of more than 1,000 caballerias of land with different crops which could, by the end of 1992, lead to production greater than that of last year. The sector's basic objective, in accordance with what has been collected up to now, is to reach 5 million quintals of grain, tubers, and vegetables, a figure never before achieved in Havana Province.

Castro Speech at 29 Mar Potato Harvest Ceremony

*FL0505125292 Havana Television and Radio Networks
in Spanish 0134 GMT 1 May 92*

[Speech by President Fidel Castro at a ceremony to mark the end of the potato harvest at the Guira de Melena Miscellaneous Crops Enterprise in Havana Province on 29 April—recorded]

[Text] Comrades: The comrades of the Communist Party of Cuba [PCC] provincial leadership suggested that a ceremony be organized to congratulate, to celebrate, we could say, and at the same time recognize the efforts made in the potato harvest that has just ended. It is impossible to hold a ceremony for every crop, but really the potato battle, as we can call it, was a great battle. I would say that at the end it became a heroic battle. It merits a small break—I say a small break because we cannot take many breaks—to congratulate those who participated and to reflect a little on the event.

The potato crop went very well. The weather was favorable for potatoes. That is an element we must keep in mind. The rains delayed planting. The rains in September, October, and November hindered the preparation of the land at the optimum time. The ideal is to plant potatoes in November and December. Really, we were able to plant very few potatoes in November. Almost all the potatoes were planted in December. Potatoes were being planted up to 31 December, which is the very latest that potatoes can be planted. Anyway, we would have planted the potatoes in better time if it had not been for the bad weather.

There are other circumstances. The fact that almost the entire potato crop was planted in 30 days meant that

they also had to be harvested in 30 days, because when the potato crop is ready to be harvested, it cannot wait. It must be harvested. That made for a truly large harvest peak. Besides being the potato harvest peak, it was the peak time to harvest tomatoes, cabbage, carrots, and other crops.

That means that the weather had been generally good, a little cooler than last year. There were fewer pests, which was the result of better fumigation, better irrigation, more weeding of the potato fields, and better weather. That improved growing conditions. It generally did not rain during that time.

What was it that complicated the potato harvest, which was developing normally? The early rains in April did. Up to 2 or 3 April, the weather had been good, favorable, but it rained on 2 and 3 April, coinciding with the Union of Young Communists [UJC] Congress. There were heavy showers at all the potato fields, with many millimeters of rainfall. If it rains hard when the potatoes are being harvested, then the harvest must be stopped. The machines cannot be used.

We have machines to harvest potatoes, and when they are in good condition they work well. When the land is well prepared, they function better. They barely harm the potatoes, and they harvest the potatoes. They leave the furrows covered with a carpet of potatoes. That is the time when everyone is the most productive, because the potatoes are very close to each other. Furthermore, if the soil is dry, if it is well prepared, then when the machine is used, the fields do not have to be harvested more than once. But if it rains hard—40, 50, 60mm, at times I have seen 80 or more millimeters—the machines cannot be used. We must wait five days. You know the risks of waiting five days to harvest potatoes after the plants have been cut; they are in the ground running the risk of rotting. There are many problems. But if it rains and then rains again in three days, we have to wait another five days and so on. That is what happened when 40 percent of the potatoes still needed to be harvested.

If the potato crop is not harvested with the machine, then a tiller can be used. Tillers were used. The tiller is a tool to cultivate and prepare the soil. It was developed in Cuba, the kind we are using, the kind we used in the harvest, so that we did not have to wait five days. After three days, using tillers, we could try to dig up the potatoes from the wet ground. But the yields are not the same as with the machines. The tiller does not leave a carpet of potatoes, but it moves the soil, and some of the potatoes remain buried. A great physical effort must be made to harvest the potatoes with a tiller. We use the tiller only when there is the danger of losing the potato crop.

It was really infuriating to see such a crop, to see the work that had been done in danger of being lost as a consequence of the weather situation and the rain. Because it is not just that it rained on 2 and 3 April, but it rained hard again on 7 April at almost all the potato fields. After 7 April it threatened to rain every day,

practically every day, because of this year's abnormal weather patterns. I do not mean that it always rains at the potato fields when it rains in the capital. Fortunately, it rained many times in the capital and the rain did not reach here. But the problem is that it threatened to rain here, at the potato fields. There was the danger of losing hundreds of thousands of quintals of potatoes.

That is what forced us to make an extraordinary effort to harvest the potatoes with machines when we could use them and with tillers when we could not use the machines. A considerable physical effort was made. The yield per man is smaller because many potatoes remain in the ground. The tiller must go over the ground again. Sometimes the tiller is used the first time, and if the soil becomes drier the machines are used. You have to harvest the fields again and again. At the end we were harvesting the potatoes one by one.

They were truly very anxious days, when nature threatened the fruit of man's efforts. It made the harvest more difficult. There was more danger that the potatoes would be damaged. More care must be taken at the cold-storage centers, because if it rains on the potatoes while they are in the trucks, or if they are too wet, they cannot be kept well in cold storage. If they suffer damage from the machines, they cannot be kept well in cold storage. All that really required an extraordinary effort. The greater part of the potato harvest was being stored while the rest was being distributed for consumption.

Consumption began in February of the few potatoes we were able to plant in November. Afterwards, quotas increased in March and April. It was even necessary to move up May's potato distribution quotas in the capital. I do not know what it was like in the provinces, whether it was also done in the provinces. The May quotas were distributed early. The potatoes were good for consumption, but could not be stored at the cold-storage centers, because only the best potatoes were to be stored in the cold-storage centers, the most select, those that were in the best condition. Because they must be stored for months, we must be careful in selecting those potatoes.

In those days, after 7, 8, 9, 10 April, almost every day, I personally toured those areas. When we saw that it was raining heavily in Havana, we decided to see what the situation was like out there in Alquizar, Melena, and Artemisa. It had rained more than 150mm in Artemisa. It was incredible. No one knew how the potato harvest in Artemisa could be saved. What was the situation in Batabano, Melena, Guines? When we could not go to any of the enterprises, we asked. We called the PCC officials at night and asked if it had rained or not, because there were tremendous storm clouds over all those places, over all the enterprises. They came from the north heading south. When the wind blew from the north there were no problems because we had hope that the clouds would go away.

It could rain during the day or at night. We had to wait until midnight or 0100 to learn how the rains were because, as I say, it really hurt to lose all that effort, for

the most part. That is why I was able to witness the feats performed by all the workers, the permanent ones, as well as those mobilized from the capital, those mobilized for two weeks, the contingents, the Armed Forces [FAR], the Youth Labor Army [EJT] who are part of the FAR, mobilizations of all kinds because really, everyone was mobilized for the potato harvest in the province. Everyone cooperated; everyone made a great effort.

I should say, for example, that, well, there are many outstanding groups. Right here we gave a banner to a camp, which was the best camp of those mobilized for two weeks in the potato harvest and other vegetables. They harvested 70,000 quintals, the workers at the Victory Smiles Camp. All the fields surrounding us here were planted in potatoes, and a few carrots were planted here, here on my left around to the front. The contingents moved their camps from place to place. The contingents moved from place to place. Military units, tank units, special units besides the EJT units, cadets, schools, in short all kinds of FAR and Ministry of the Interior [Minint] units were moved around, and helped in the potato harvest.

I had the opportunity to talk with some of those mobilized FAR units, and they really did impressive work, really impressive. It makes one proud of the FAR for their ability to respond as they did to the kind of situation that has just ended. [applause] That same spirit was found everywhere, in all the camps for those mobilized for two weeks, and the contingents. That spirit was found in the schools, as a rule, among the school students working in the fields. You know that there are dozens of schools whose students are working in the fields in Havana Province. Almost all of them are at miscellaneous crops enterprises. The students work three hours daily. There are also technical, pre-university, and secondary school students who are based in the city and go to work in the fields for 30 days every year.

We cannot forget the mobilizations of municipalities in the province. Thousands of people were mobilized to harvest potatoes and other crops during that time, to help the state enterprises and the cooperatives. There were some cooperatives, agriculture-livestock production cooperatives, that at times had 700 mobilized workers in the days of the potato battle.

I saw a lot of things. I saw, for example, the foundry workers from San Miguel del Padron. They were mobilized for two weeks to the El Mamey Camp near here. They are tough, strong workers, the foundry workers. They were desperately harvesting potatoes so that not one would be lost, potatoes that had been dug up with tillers. A great effort had to be made to gather them one by one. They cut their fingers in the wet soil. They worked there eight, ten, more than ten hours a day. I visited the camp several times, because it was so encouraging to see those men working late into the night. When they had collected the potatoes, they worked late to store them inside in case there was a big storm. [applause]

Not far from here is the (Ciro Bergues) School [words indistinct] is here. They canceled classes for three days—that is very important—they canceled classes for three days. Before, to cancel classes was a crime. Now the crime would be to lose the potato harvest. [applause] The crime would be to lose the potato harvest. [repeats] The crime would be to have a young person become accustomed to seeing potatoes in the fields, which could be lost, and not harvest them. The boys closed the school for three days, and with their teachers they spent the entire day gathering potatoes, they and their teachers. That earned them the (?admiration) of the workers of the El Mamey Camp. I should add that they worked as hard as the foundry workers.

The boys worked in the fields the same hours as the foundry workers. They worked as hard as the foundry workers. [applause] I asked the foundry workers one afternoon, when they were working those hours, I asked them: You work hard, very hard. I want you to tell me which is harder, working in a foundry or harvesting potatoes from wet ground, dug up with a tiller where the machines cannot be used? They told me it is harder to harvest the potatoes. That is what the foundry workers, who have one of the hardest jobs, told me. I think all this forces us to think, forces us to reflect on many things.

We saw things in the students that were marvelous. What does the behavior of the students working in the fields depend upon? It depends on the director. It depends on a good director, in the first place. [applause] It depends on good leadership of the students. It depends on teachers who are capable of setting an example for them. But what the students can do is incredible. I say this because once again I must warn against the tendency toward excessive paternalism, which occurs with the enterprise directors and farm chiefs. They felt sorry for the boys, but the boys could outlast an Olympic boxing champion because they have more energy, because they can bend down easier and quicker, because they are more active.

It is difficult to compete with them in certain tasks. In certain tasks—I do not say in everything. You usually cannot have the boys loading the potatoes, loading them onto the trucks. That is what the stevedores do. There are some strong ones who can do it, and they do, but not as a general rule. We must watch out about the jobs we assign to them. But I remember right here at this Victory Smiles Camp, which I visited several times, they were harvesting a field of potatoes here, or a field of carrots, 1.5 or 1.7 or 1.8 caballerias. Of course, that 1.5 caballerias had been planted using a kind of machine that is not the ideal kind, but we did not have the ideal kind. Next year we will have it. The carrots had to be thinned. A lot of seeds had been planted. It was necessary to thin them for a better yield. Some were thinned, the extra plants were pulled up, but others were not thinned. The part that was thinned had much higher yields, but the normal yields were reasonable.

However, near here there was a camp for the Guanabacoa Technical Construction School, and those boys had really low yields. I do not think that their transportation and food at the camp was paid for with the yields they got. I was interested in that, and when they finished harvesting those carrots, I wanted to know what kind of yields they had, what was the difference between the carrots that had been thinned and those that had not been thinned. I discussed it with the farm director, and I asked him what standards he had set for the boys. He said five bags, like the book says. I said: What book are you talking about? What period are you talking about? He was talking about the period of academicism, of the time when such work was looked upon with indifference, of the time when pseudo-intellectual and not truly educational criteria prevailed at this school. I told him to forget about that book, that I never wanted to hear about that book ever again, and to see what those boys could really do. Nothing had ever been required of them. Nothing had been required of the camp director. Nothing had been required of the teachers. What there was was paternalism. They spent two weeks pulling up carrots.

I give this example because it is one of the negative examples, alongside many excellent examples, excellent in every sense. Wherever I go, I see the good, but I also try to see what is not going so well, and how each person is acting. To what is that due? To the excessive paternalism of the enterprise and farm directors. I would also say that there has been excessive paternalism by the party officials, because they are there, and they were supposed to try [words indistinct] in these difficult times in which we live, and that the boys are not educated by setting insignificant standards for them so that when they reach them they think the world has come to an end, when they can do two or three times more than what they are doing. When they had met the standard, they would begin to play around and talk.

We can say the same thing about the university students. They have behaved excellently, but that was also the result of higher standards and more work, especially the work of the Federation of University Students [FEU]. Because last year I heard that law students had come to a camp nearby, I do not know its name—La Rosita. They told me about it here at this enterprise. I hear many good things about the university students everywhere, and it caught my attention that at this enterprise they told me that the law students had not done good work. I asked: Who has complained that there was a group here from some school, because they preferred the mobilized workers? I said: How strange.

I spoke with the FEU comrades. I told them certain things. I told them, for example, that I had been told that music was on until 0100, and there was a lot of partying and little sleeping. We made the suggestion to regulate the music, the listening to music. Why not? It could help psychologically, the state of mind, everything. But by no later than 2300 all the loudspeakers and all the music must be turned off. Because no matter how young you

are, you do not work the same the following day if you have slept seven hours, or if you have slept only four or three hours.

No one can tell those of us who were guerrillas about that. Sometimes we spent the whole night walking in order to reach a target, or for an operation. Afterwards we had to walk during the day, and when we had gone a whole night without sleep, we were much more exhausted the following day. A student cannot do as much, even if the desire is there, if he has been partying all night.

Everytime I have had reports of even the slightest detail that is not in keeping with quality, I have told the comrades from the FEU and the FEEM [Federation of Secondary School Students] about it. Not only do I congratulate them for good results, but I also tell them about those aspects that are not positive ones.

Well, indeed, (as I was saying,) they talked about the law school, and now, this year, the law school students constituted one of the best mobilizations, one of the best mobilized groups from the university. They worked excellently, for every person has in him a sense of pride, and those who lead must know how to awaken a man's sense of pride, a man's sense of pride. It was not in vain that I think it was Agramonte or Cespedes who, when asked with what weapons they were going to win the war, answered: With the pride of the Cubans. [applause] That is because with a man's sense of pride, anything can be accomplished.

It is natural that a camp of university students will not have the discipline of a unit of specialized troops, which arrives on the scene with its tent, its field kitchen, and so forth, and sets up any old place. Of course, they are extremely well prepared physically. Some schools have a majority of young lady comrades who, of course, although they make great efforts, there are certain kinds of tasks they cannot do, certain physical tasks that are more difficult. That is, they can do them, but not with the same productivity as a man can.

However, I must say that as a rule, the conduct of the university students has been excellent, excellent, [repeats] although I know of a few cases in which it was not excellent. I must say, for example, that when the medical students were mobilized—more than 5,000 of them—a tremendous emulation campaign was established. All the chiefs and leaders were with them, and they did great work in the potato harvest, really. They came the right week, from 15 to 29 March. They did a great job. I saw them, I visited them, and it was a pleasure to see.

The following week—because not all the medical students were able to come during a single two-week period—the fourth and fifth year students from the Salvador Allende School came to the (Vialuno) Camp. I am very sorry I must mention them. However, I do mention them because that group did not behave like the rest of the students. Comparing those from the Salvador

Allende School and those mobilized when the 5,000 students were mobilized, the 5,000 had a better attitude.

They were here in Batabano. The potatoes were hard, and they had to be harvested or they would spoil, and (?there is no question that there were) problems with those students. The camp chief was off for a few days of rest. The camp chief was no longer there. The mobilization of the 5,000, that big emulation campaign that had been established during the preceding two-week period, was not going on. Well, those comrades, seeing the potatoes lying there, on Sunday, were supposed to work until noon, but they left at about 1000. They were just fooling around out there.

Well, I immediately told the student federation comrades about it and they met with the students, of course. I must say the director, the dean of that school, is exemplary in her behavior. The problem was that the students were not electrified by the spirit of mobilization of the preceding two weeks, and they did not work as well as they could have. Nevertheless, during the next two weeks, students from that same school arrived at that camp and, aware of the weakness that had been shown by the work group that had preceded them, set themselves the goal of restoring the honor of their school, and they did a great job.

I would like to add, so as not to leave anyone out or almost anyone—there may be someone, I cannot assure you that there is not someone left, somewhere out there—that the language students did not perform optimally either. They were out in Alquizar. Neither did the students from the art school of the teachers training college. So, at this rostrum, we must congratulate and encourage those who made their very best effort, but we must also criticize those who did not. I say this, not in a spirit of criticizing people or blaming people, because I know that people have pride, and when their weaknesses and deficiencies are pointed out to them, they react.

That is how we waged our war. Because often a unit would show very good performance, and other times not very good performance. It would show itself to be weak, to have weaknesses. However, when that unit was sharply criticized, in the next battle it would really kick ass! That was not a matter of harvesting potatoes. Rather, what was at stake was one's life. Men are capable of great feats, for honor's sake, for morality's sake, out of pride, and life has shown us that timely criticism, criticism given in time, helps a lot.

What does not help is paternalism, as well as a failure to set standards. That (?is not done through any) book. That dates back to long, long ago. It does not come from the special period. I think that little book has been removed, and the standards established must be those a young person can really meet. I would see that some of the mobilized university students would be set a low goal—20 sacks or 20 quintals—when they could perfectly well do 30 more, and some in fact did far more than that. I repeat that in some of the university schools,

women constitute a majority. Well, the standards were raised. One day they were talking with me and they said: Listen, the standard is a bit high. I said to them: Ask of me whatever you like, but do not talk to me about lowering standards, because you will never in your life be able to get me to lower a standard. [applause] Really, everything is a matter of mental habits. If we become accustomed to softness, to having it soft and easy, we accomplish nothing.

I have tried to highlight some of the weak points in the mobilization. How many of the total number of individuals mobilized does that apply to? Let us say 5 percent. I mean, these are isolated cases in the midst of the general performance. What I have heard about the university students, for example, is excellent, as a rule, as the norm. What about the secondary students working in agriculture? Excellent, although not all the schools are alike. Some are very outstanding; others are less so. I repeat: It depends upon the director, on the teachers, on the example that is set, and on what is demanded of them. I can see that the work of the contingents and the camps of mobilized workers have had an extraordinarily good influence on the students. You should see what an influence the spirit of our workers, the people mobilized from the capital and Havana Province, the people mobilized into contingents and the two-week mobilizations, have had. You should see how much they have influenced the students. Their attitude has changed.

Also, the ministry has taken a much more understanding position. The Education Ministry is not horrified at seeing classes canceled for three days. They might, in fact, be canceled for a week. Or are we going to create a society of intellectuals? A country that gives everyone the opportunity to study is going to turn into a society of intellectuals who reject manual labor. Then who is going to do the manual work? Before, the slaves used to do it. Then, in Cuban society before the triumph of the revolution, it was done by those who had no other job and were starving. That is who would do the work. In the developed capitalist countries, it is done by the immigrants, immigrants from Latin America, over there in the United States and other northern countries. In Europe, it is immigrants from Africa and Asia who do the hardest work.

What are we ourselves doing if we do not teach the teenagers, the young people, how to work with their hands, and simply stuff them full of intellectual and theoretical knowledge? There cannot be a truly revolutionary educational system if it does not educate young people about work. I repeat: They cannot be educated with paternalism. We cannot set an easy, soft standard for them. Man gives what is asked of him, and we must know how to ask it of everyone—the camps of workers who are mobilized for two weeks, the contingents, the students from the rural schools, and those sent to work in agricultural as part of their schoolwork, and the university students.

I am speaking at a time when everything has changed, a time when people are expressing an extraordinary spirit. Nevertheless, even now, not everything is the same yet. I sometimes see that too early....[pauses] At this time of the year, when it gets dark at 1730, I have seen people leaving the fields at 1700. I immediately asked them: What is going on? Why are you leaving at 1700? One reason for it could be that the flow of arriving seeds has stopped. While planting boniato, the flow stopped. I have seen that happen. We must always be on the alert, to require things of man, to activate a man's sense of pride, confident that it is the only road to success under any circumstances in life.

I must also mention the role of the multidisciplinary teams, because the scientists have also gone out into the fields, to give advice, to help, to say how things needed to be done. They are to an important extent responsible for the results of the....[commotion is heard]

Is there a doctor here? [pause]

The scientists have played a role and have had a lot to do with the success that has been achieved.

We have also mentioned here the effort by the permanent workers, the workers who handle the machinery. By working incessantly, they managed to prepare the soil in a very short period of time. We have spoken of the workers responsible for watering and of those who tended to the machines. In general, everything was much better this year than last year, in every way. Basulto [not further identified] talked here and gave us some figures regarding yield and production. I too had some figures here, not a lot. I am going to use fewer figures than Basulto, I think. Some of my figures may be kind of repetitive. However, speaking of potatoes, I must say that out of the 446....[pauses] 436 caballerias of production for consumption....[pauses] I am talking about those for consumption because there are also the potatoes to be used for seed. I think he said there were 29 caballerias for seed, right? Yes? A total of 465 caballerias.

But let us talk about the ones for consumption. The ones for seed are for seed. The state sector planted 334 of the caballerias to be used for consumption. The state sector bore the main burden for the potato planting. The small farming sector planted 101 caballerias, but the cooperatives bore the main burden of the planting by that sector. The agricultural-livestock production cooperatives planted 84.2 caballerias, and the credit and service cooperatives—that is, the individual small farmers—planted 17.4 caballerias. We have said to those small farmers: What do you want to plant? This is the plan. You pick. However, potatoes might have all the problems. That is why, except for 17.4 caballerias planted by independent small farmers, the potatoes were really planted by the private [as heard] sector, which planted 334.4 caballerias, and the agricultural-livestock production cooperatives, which planted 101.6 caballerias. Because that is the small farming sector, but a distinction

must be made between the agricultural-livestock production cooperatives and the independent farmers. [all figures as heard]

We have said here that the state sector averaged 6,193 quintals per caballeria. The small farming sector had much less land. For about every three caballerias the state had, the small farming sector had one. Its average was lower: 5,971 quintals per caballeria. Within that, there are cooperatives that had high yields, such as the Niceto Perez Cooperative mentioned here, and others. [applause] There were small farmers like Juan Gomez, who averaged 11,200 and who also served as a consultant to another area there, belonging to the state, which averaged over 10,000. [applause] But it is encouraging, and an expression of the revolution, that the state enterprises have obtained....[pauses] the fact that the yield for 334.4 caballerias was 6,193 quintals, which is higher than for the small farming sector, which had 101.6 caballerias.

The cooperatives as a whole had good yields: 6,261, for their 84.2 caballerias. I am talking about the agricultural-livestock production cooperatives. Meanwhile, the independent small farmers, with their 17.4 caballerias and in spite of some excellent producers such as Juan Gomez and others, averaged 4,569. That is far below the agricultural-livestock production cooperatives and far below the state enterprises.

It has also been mentioned here how the different enterprises did. It is worth repeating: Melena del Sur, with 50 caballerias, 6,764. We awarded a banner here to a Melena del Sur camp that had 18 caballerias and averaged over 7,400. These were figures....[pauses] How much were they?

[Unidentified speaker answers: 7,533.]

How much?

[Unidentified speaker: 7,533.]

They had 7,533. A camp, a contingent, the (Flavio Bravo) Contingent, averaged, with 18 caballerias, 7,533 quintals. That is a true feat. Melena was the one that obtained the highest yields.

Next came Guira, with 20 quintals less per caballeria. Of course, we must keep in mind a merit of Guira's: the fact that the state enterprise there planted 69.6 caballerias. In Melena del Sur, the state enterprise planted 50. It had greater production with a little less land. Guira too is greatly deserving of praise, even though it ended up in second place in yields.

Artemisa, with 32 caballerias, obtained 6,144, although I must say, Artemisa had a very heavy rainstorm. I must say that the rain limited the yields somewhat. However, it affected the yields not by hundreds of thousands, but by a few tens of thousands of quintals.

Alquizar with 60.3 caballerias obtained 6,136. Guines, with 54 obtained 5,850. Batabano with 48.5 obtained

5,588. Batabano has rocky soil, too. It is not easy. It harvested a certain amount of potatoes for export, a small amount. Batabano had to use the tiller.

Quivicán with only 20 caballerías produced an average of 5,510. There there was a UBP [expansion unknown] of three caballerías at the Fructuoso Rodríguez Polytechnical School. The school director was careless, and the potatoes were choked out by weeds. We can only say that there were 20 caballerías but deduct three of them where they had very low yields. That affected the results of Quivicán's 20 caballerías, whose production was 5,510. As one goes around one finds out many things.

Now, the production of those three caballerías was what?

[Answer indistinct]

Their production of 2,300 lowered the average. Their yield was less than half. That shows that we cannot forget a single caballería anywhere, and that in every unit and farm we must have people with sufficient mental clarity and energy to prevent such things from happening.

The highest yields were obtained in Guira de Melena by the agricultural-livestock production cooperatives. In Guira de Melena it was the small farming sector, but it was basically the cooperatives. They had yields of 6,880. In Guines, yields were 6,408. In San Antonio, yields were 6,293, and in Melena del Sur 6,000. In Alquizar, yields were 4,587. Artemisa obtained yields of 4,011. The yields were high but lower than the yields obtained by the state and the agricultural-livestock production cooperatives.

Now, how many potatoes do we have? We have consumed close to 900,000 quintals, a little more than that including consumption by the populace and for state entities. We must not forget that the potatoes must supply almost 3 million people. The 2.1 million inhabitants of the capital and.... [pauses] How many people are there in Havana Province, how many?

[Answer indistinct]

And 651,000 in Havana Province. We could say that there are 2.75 million people to whom we must give potatoes or a quota of potatoes.

Furthermore, consumption at state entities represents a large number of potatoes as it includes all the schools, hospitals, workers' dining halls, restaurants, and hotels. We must give potatoes to 6.75 million [as heard] people plus to the state entities, which equals more than 3 million people. Now, how many potatoes do we have in cold storage? I will give you the figure—it is no secret. This is an estimated figure. There could be one sack more or less. We have 1,652,400 quintals of potatoes in cold storage.

We must consider that in the last few years we have built three new, big cold-storage centers. The one in Berroa, which is now finished after years of construction, the one in Alquizar, which was built in record time, and the one in Guines, which was also built in record time. That adds up

to an increase of cold-storage space by almost 1 million quintals. We must say that right now the old and new cold-storage centers are practically full. Of course, there are not only potatoes in them. Some space is being occupied by other products. We have a certain amount of cabbage, which can also be stored two or three months. That way there will be some cabbage in May and maybe even in June. We have stored cabbage. We have stored carrots, not as many, but we have stored a specific amount. There are 1,652,400 quintals of potatoes in cold storage.

We must be very careful about what is published. Sometimes the director and deputy directors of collection centers are asked for details and they give details. All of a sudden they say that there are enough potatoes to give out so many per capita until December. That is incorrect. We cannot talk that way. We must say that we have twice the amount of potatoes that we had last year in cold storage, twice the amount. We could say that the potatoes are in much better physical condition. They have been selected better. The inspection of the potatoes brought into the cold-storage centers was rigorous. But 1,602,000 quintals [as heard] would not last until December.

There are several reasons. In the first place, potatoes lose weight. After a few months in cold storage, one pound of potatoes may have more nutritional content but less water. Potatoes lose a great amount of water in cold storage. On the other hand, it does not matter how careful you are, there will always be a potato that might have been damaged. Sacks are checked to see if they carry dirt or not, to check the humidity level, but the potatoes are not checked one by one. One potato may have a bruise that later in cold storage could begin to deteriorate. However careful you may be, some of the potatoes stored in cold storage deteriorate.

Cold-storage units are always in danger of having some type of problem in some of their chambers. The gas may run out, something else may break down, or a valve could break. That could cause some problems. The potatoes may have to be distributed immediately. Those are the reasons why, if you calculate that the supply will last until November and still have some left over, you must begin to deduct the losses that could arise.

Besides, it is a question of moral values and principles. If there were a natural catastrophe in a province, a hurricane or something else, then you would have to take out some of those potatoes that are stored in cold-storage units to help that province. In fact, just recently potatoes were sent to other provinces. It was not part of the program, but there was a drought and other problems and we sent them potatoes. There was a surplus of cabbage, because the cabbage matured too fast due to the same rain that gave us problems during the potato harvest.

A little cabbage was distributed to different provinces. Cabbage was sent to Santiago, Guantánamo, Holguín, Isle of Youth, and Pinar del Río. That is what we have to do. There may be a need in a specific province owing to difficult situations or drought. Some of those potatoes

must be considered a reserve to help other provinces. It is our duty. If there were a hurricane here that knocked down all the banana plants, Havana would have to ask other provinces for help. Therefore, we must administer what we have stored here.

I believe it will last until November provided that in September, October, and November a smaller amount is distributed than in June, July, and August, which are the famous peak months. We cannot distribute the same amount during all these months. The potato distribution for May is already ahead of schedule. So we have from June on, but we must always see how the situation is and how the rest of the supplies are. That has to be administered. We cannot make an exact and rigorous program at this point to tell how many pounds of the potatoes are going to be distributed per capita. For that reason we must be prudent in what we say. But it is satisfactory to have twice the potatoes that we had last year, and they are in much better condition.

Now, the movement began a little more than a year ago. A little more than a year ago the first 60 camps were completed. We must say that we can already see the results of the efforts we are making. Let us see what happened in 1991. It was an unfavorable climatic year. It was bad for the potatoes, tomatoes, and other crops. Nevertheless, despite this, the production of tubers and vegetables in Havana Province increased by 22 percent during 1991, in spite of the fact that it was a bad year.

Now, during that bad year there was a 2 percent drop at the agricultural-livestock production cooperatives in comparison to 1990. As for the individual small farmers, there was a 19 percent drop in comparison to 1990. It was a bad year. But you would also have to see what portion of the drop was caused by diversion of products. That is something that needs to be analyzed by the comrades of the National Association of Small Farmers [ANAP] at the meeting of the....[pauses] at the ANAP congress.

I must say that in Havana Province there are 42,000 hectares dedicated to vegetables and tubers. Of the 42,000, approximately 22,000 are state-owned. They are held by the state. Of those hectares, 10,000 are held by the agricultural-livestock production cooperatives. The remaining 10,000 hectares are held by the independent small farmers. We have the three types of property. That is why no one can say to us that it is better to have parcels, small plots, private property, collective property, state property, or cooperative property, because we have all three types.

We are constantly observing what goes on in each one of them. There are some small farmers who are truly outstanding. Some of the individual small farmers are wise men and scientists. Thirteen of them are advisers to the executive committee. Those farmers know a lot. Unfortunately, not all small farmers are like that. Not all of them are wise men and scientists. Not all of them have the same social attitude.

There are many small farmers who are honest and give everything they have to the state collection centers. They show exemplary behavior. There are others who divert resources and sometimes use fuel, fertilizer, and other things. What they deliver to the state collection centers is disproportionate to what they use or what they cost the country. Right? They have friends, relatives, and others who need something or other.

Now, in 1991 the state enterprises produced 67.1 percent more. That increase in production at the enterprises is considerable. It is in large part due to the efforts of the mobilized workers, the contingents, and those mobilized for two weeks. You can see very clearly in this figure how production at the state enterprises increased, even though mobilized workers also help the cooperative farms. The mobilizations of people from the municipalities of Havana Province—in other words, from the rural part of the province or rural Havana Province, to call it something—basically help the cooperative farms. Those are the mobilizations that are carried out in Alquizar, Guines, Batabano, and other places. Sometimes they are also mobilized to state farms. But our party mobilizes workers to help the agricultural-livestock production cooperatives. If we need to help the small farmers we will do so also. When Gomez had to harvest 11,200 quintals of potatoes in three days, the people from around the area were not enough. The special troops gave some help to Gomez, who is an independent small farmer. That happened in 1961....[pauses] 1991.

Now, how are they doing at this moment, during this first four-month period? The figures still need to be more accurate. I hope that by the time the ANAP congress begins we will have the exact production figures. I am speaking in general and of this province. Right now I am referring to this province. Production continues to increase. In the first four months of 1992, an increase of 34 percent was registered in vegetable and tuber production in Havana Province in comparison to the same period of last year. In physical terms it represents 1,520,000 more quintals of products sold to the state. The state sector in particular, and basically the miscellaneous crops enterprises, increased their sales to the state by 44 percent. They increased their sales by 1,123,000 quintals more than in 1991.

On the other hand, the agricultural-livestock production cooperatives and independent small farmers also increased their production by 20 percent; that is, by 397,000 quintals more than last year. I believe that here we should separate how much of that 20 percent corresponds to the agricultural-livestock production cooperatives and how much corresponds to independent small farmers, but I do not have those figures.

Now, the state enterprises in Havana Province contributed 61 percent of the products sold to the state. Before, I was referring to what had been grown. But now I am referring to what they contributed. The state enterprises in Havana Province contributed 61 percent of the vegetables and tubers sold to the state by the province during

this four-month period in 1992. Their share in 1991 was 57 percent. So that increased because the state enterprises deliver products for distribution to the populace. It includes both vegetables and tubers. For vegetables, the state enterprises in Havana Province contributed 78 percent of the products sold to the state by the province in 1992. That is 7 percent more than last year. In other words, that is their contribution, not how much they grew, but how much they contributed as part of the total amount of products sold to the state. They increased their deliveries by 40 percent.

The province increased by 28 percent in comparison to last year. That is the province in general. As a whole the province increased production of practically all tubers. That includes potatoes, boniato, malanga, yuca, yams, plantains, and bananas. That was possible basically through the contributions of the state sector.

The non-state sector decreased its production of potatoes, boniato, and plantains. There was a reduction in the planting of potatoes but much higher yields were obtained, as you have been able to see. The state was in charge of planting most of the potatoes. In terms of vegetables, during the first four months of 1992, Havana Province increased its sales of vegetables to the state by 42 percent in comparison to the same period last year; that is, 717,000 quintals of vegetables. The contribution of the state sector was 35 percent. Both sectors experienced growth in comparison with 1991. The state sector grew by 57 percent, and the non-state sector grew by 36 percent. In the tomato harvest in particular, the province experienced an increase of 86 percent. The state sector's delivery of tomatoes increased 2.7 times. The non-state sector harvested 656,000 quintals of tomatoes, an increase of 67 percent in comparison with 1991. Tomatoes were one of the crops that increased. Cabbage production also increased.

We are talking about what has been done so far. There are dozens of new caballerias of plantains growing. The increase in plantain production—if there is no natural catastrophe of any kind, such as a hurricane, which could be very damaging for these crops, which would be disastrous for the plantain crop—should also be considerable this year. It is true that by December....[pauses] It is true that by October and November we will have fewer potatoes, but we will have more plantains. We will be out of potatoes by December, but we will have many more plantains and more boniato, or we should have more boniato and yuca.

Comrades, I do not want to take much longer. I have tried to use this time to express certain ideas that I think are relevant in relation to this. In order to be brief, I want to finally speak about the most important tasks at hand: planting and cultivation. Because of the large concentration of machinery, men and women, mobilized workers, and contingents used to save the potato crop, for approximately two weeks all the areas planted and areas to be planted were not given the necessary attention. Rains also hampered soil preparation. To show you how

Mother Nature acts, all that has to be said is that by the time the potato harvest ended, so did the rain and the threats of rain. We have had almost 12 days without rain or threat of rain, and in some places it has been even longer.

That is very good because that gives us a chance to prepare the soil. It gives us a chance to prepare the soil. That is why we have to take advantage of every hour, every minute, and work day and night with the machinery because the spring planting program is behind schedule. We are behind in the planting of the potatoes we need for the second half of the year, particularly for the last quarter. We are behind schedule. We are behind in the planting of yuca for the end of the year and the first quarter of next year.

I have already talked about boniato and yuca. We are behind schedule in planting corn. In fact, we should have planted about 600 caballerias in April, and right now we do not have 50 percent of that planted. But that does not mean that we are going to lose the battle. It means we cannot waste a minute. It means that the machinery should work constantly, day and night, I repeat, and in addition we should not waste an hour of the days left in April. In practice, it means we have only two days left. We have to work intensely during the whole month of May. We are already into spring. That is why we have to speed up soil preparation before more rainfall makes things more difficult.

We have to be ready to plant all the corn that we have to plant. The corn crop does not yield large amounts per caballeria. Corn might yield 300 or 400 quintals, sometimes a little more, but per caballeria it does not produce the 6,000, 6,500, or 7,000 quintals that a caballeria of potatoes yields. A caballeria of corn yields 300 or 400 quintals, but we have to take advantage of those fields so they do not become full of weeds. We have to plant and cultivate a portion of the fields with corn.

It is a product that the people like. There will be enough for a few tamales, a little corn on the cob. One caballeria yields 300,000 ears of corn. We plan to plant approximately 500 caballerias of corn in the two sectors. We have to make a great effort these days. Corn is easy to grow because with one ox you can take care of it on approximately 500 caballerias. But there is a large amount of boniato still to be planted, and planting boniato is truly hard work. Corn can be planted with machines if tractors and machines can have access to the land, but boniato has to be planted stick by stick.

One caballeria of boniato has 600,000 sticks. That means that it takes the work of 200 or 300 men in one day to plant one caballeria of boniato. Yuca also requires hard work. But these are crops that are well adapted to our tropical climate. Potatoes are not. Boniato, yuca, and plantains are well adapted. Plantains laugh at the heat. They are happy with it. Plantains laugh at the rain. They are happy with it. All of that benefits the plantains. Yuca and boniato endure all that quite well, but it is hard work

to plant them. We are behind schedule in the program for planting and cultivating those crops.

That is why on 28 April we had a meeting with all the directors of enterprises and cooperatives, the ANAP representatives, with the slogan of turning all the equipment, all the work force, and all the resources, all our efforts to cultivating and planting those crops, so that a few days ago the machinery began to work day and night, and efforts have been made in that sense. But it is a lot of work. We cannot rest on our laurels from our success with the potatoes. I think this meeting is important not only to talk about what has been done, but especially to talk about everything we have yet to do.

It is necessary for us to leave here with an awareness of dedicating ourselves as in the heaviest days of the potato harvest. We have to plant—and I repeat—corn, boniato, yuca, plantains, malanga, cucumbers, and other crops on a lesser scale. We have made adjustments, taking into account which crops require a larger work force and which require less, but we must fulfill a program [words indistinct] to ensure above all the supplies for the off season with corn, corn that is planted in May, June, and July and is harvested in August, the end of August and the beginning of September, as soft corn.

The fields also produce forage for the oxen, and the number of oxen being used is increasing. The fields also have to be ready to be prepared for the winter crops. It is not only important to advance planting the crops, but rather to the extent that we advance the planting we advance the freeing up of fields so that potatoes, tomatoes, cabbage, and other crops can be planted again in the cold season.

So what I most want to stress this afternoon is the effort we must make in planting and cultivating, and that we must not rest for a single minute. I must tell you sincerely that I am a little worried because of the excessive number of ceremonies that may take place these days. Because for this ceremony, I asked: How many will attend? They said: About 1,500. I said: At what time? I know that this camp has come to a halt since noon. Finally those who had been here stayed. That was arranged. You are leaving today?

[Audience answers: "Yes."]

Good, I am glad, because they were going to hold this ceremony with the new people, those who were going to come for the next two weeks. I am thankful that you postponed your departure by one day.

They said: About 1,500. Of course, along the way I saw a lot of boniato being gathered, coming out of the town of Guira de Melena. I said: It is a good thing there are people gathering boniato right now. I was calculating the hours that were being lost with this ceremony, the time lost today by all the enterprise directors, all the party officials, with this ceremony. But this ceremony could no longer be avoided. It was promised. I had promised to attend, but a ceremony on 20-what? What day is today,

28 April? No, 29 April. We are almost at the end of the month. A ceremony on 29 April. But in Alquizar they told me they had I do not know what kind of ceremony on some day for I do not know what award for I do not know what farm. I said: Well, there are other ceremonies the enterprises and municipalities are holding. On top of this, there is 1 May. There are ceremonies on 1 May. In addition, Sunday 10 May is Mother's Day. On Sunday people have to work in the morning, whether they are mothers or fathers. [chuckles] They must work. [applause] They must work, or the mothers are going to be given Saturday off, and they must be here Sunday night or very early on Monday, very early. When I say very early I do not mean noon.

It is true that there are many ceremonies and many activities, and I am concerned about that. The least I can do is convey that to you. There is work on 1 May. If it is workers day, they must work on that day, at least in agriculture. Agriculture does not wait. Agriculture does not know what workers day is or 1 May is. It knows that the corn must be planted. Not a single day can be lost; not a single minute can be lost. What time are the municipal ceremonies on 1 May? At 0900? What a shame! Well, what time are the ones who are mobilized returning to the camp? The whole camp is not going? Are you sure about that? What? Is the camp chief not here? Where is the Victory Smiles Camp chief? Tell me, what are you going to do on 1 May?

[Answer indistinct]

Why? Can we waste....[pauses] afford that?

No, that is Friday. Are you going to work until noon or are you going to the ceremony?

[Answer indistinct]

And on Sunday?

[Answer indistinct]

Half a day of work. We are not doing well. I do not have anything else to say. Are we not doing well? [applause] On 1 May, a half a day of work. On Sunday, a half a day of work. When are we going to plant the corn, boniato, yuca, and what we have to plant?

[Answer indistinct]

But what is a caballeria of boniato? It is nothing. How much do you have to plant?

[Answer indistinct]

Well, why do you not work at least until 1500? Do something. Make an effort. Well, that is paternalism on your part. You do not require of people what you should require. There is no baseball game on Sunday....[pauses] There is no baseball game on Friday. If you told me that it was Havana against Serranos, I would say: Alright, stop now, so that these people will not die of longing.

But what are you going to do these days, seeing these fields that need to be planted? Agriculture cannot afford it. It is not like other kinds of production. Time cannot be wasted. The dry season cannot be wasted. We will probably have some excellent dry days for planting. I can see that my concerns are justified: a ceremony here, a municipal ceremony, 1 May celebrations in the municipalities, working until noon. Look, Juan, [not further identified] on 1 May you will have nothing to do in the afternoon. I am sure that Juan will not sit around doing nothing. He will be there taking care of the boniato and other things that he has planted.

Where are the people from the Niceto Perez Cooperative? Where is Orlando [not further identified]? Orlando, what do you plan to do on 1 May? Go to the 1 May parade? For how many hours?

[Answer indistinct]

Are you going to the parade?

[Answer indistinct]

What time will it end? What time are you going back to work?

[Answer indistinct] What time are you going to work until?

[Answer indistinct]

Why cannot the contingents at the camps do exactly the same thing as the Niceto Perez Agricultural-Livestock Production Cooperative? [applause] It is a matter of pride. It is a matter of honor. We are saying that we cannot waste a single hour, because we are holding a party for the potatoes, and we will have to get together for a wake for the corn and boniato. We are going to act....[pauses] What world are we living in? Are we not aware of the realities? We should not waste time. All this softness has its consequences. It does not help to form consciousness. I agree that Sunday is for rest. But I think that on 1 May we must honor the workers by working. Because we are not under capitalism; we are under socialism. We are not producing for the bourgeoisie; we are producing for the people. Every quintal of tomatoes, potatoes, yuca, and corn is for the people. [applause]

That is what I wanted to tell you. I repeat my congratulations, and I urge you not to lose a single minute.

Socialism or death, fatherland or death, we will win! [applause]

Ross Meets With Argentine Representatives

FL0605011592 Havana Radio Rebelde Network in Spanish 2300 GMT 5 May 92

[Text] Pedro Ross Leal, the secretary general of the Cuban Workers Federation [CTC], has stated today that from its very first day, the Cuban revolution created the strongest mechanism for defense—its identification with the workers and people. He said that during a meeting in

Havana with representatives of Committees for the Defense of the Cuban Revolution in Argentina. Ross said that social reality in Cuba is not for a minority, but rather, Marti's principle of "with all, and for the good of all" is being fulfilled, and so the people will always defend their revolution.

The visitors acknowledged the efforts by the Cuban socialist state to provide food, health care, and education for the people, and described the Havana Psychiatric Hospital as a gift to humanity. Today at the CTC headquarters, the members of the Committees for the Defense of the Cuban Revolution in Argentina confirmed their support for and solidarity with the cause of the Cuban workers. Pedro Ross thanked them in the name of the 3 million CTC members.

Foreign Minister Begins Visit to Vietnam

FL0605011392 Havana Radio Rebelde Network in Spanish 2300 GMT 5 May 92

[Text] Vietnamese Foreign Minister Nguyen Manh Cam has met with Cuban Foreign Minister Isidoro Malmierca today in Hanoi. Malmierca arrived in Vietnam on an official visit. When greeting Malmierca and the delegation accompanying him at the airport, Nguyen Manh Cam assured them that nothing could compare with the fraternal friendship that exists between the peoples of Vietnam and Cuba. The Vietnamese foreign minister said that despite the changes that have taken place in the international situation, Cuba and Vietnam are still in the same trench.

Cuban Foreign Minister Malmierca expressed his satisfaction at the new meeting with the Vietnamese people. He also reiterated that Cuba will always value highly the struggle for national independence and the bloodshed by the Vietnamese for the sake of world peace.

Chinese Party Delegation Begins Visit 6 May

FL0605014292 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 6 May 92

[Text] Today a high-ranking delegation of the Chinese Communist Party arrived in Havana headed by Mrs. Wan Shaofen, a deputy director of the United Front Department of the Central Committee. The distinguished visitors were met at the airport by Fernando Ramirez de Estenoz, a member of the Central Committee of the Communist Party of Cuba [PCC], and PRC Ambassador Chen Jiuchang. The delegation will remain in our country for one week, during which time they will exchange impressions with members of the Cuban Government and the PCC and will tour different places of interest.

Haiti**'No Decision' on Third Day of Tripartite Meeting***FL0505132492 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 5 May 92*

[Text] Yesterday no decision was reached on the third day of talks at Villa d'Accueil on the country's crisis. There were two proposals on the negotiating table yesterday. First, the executive asks that they continue to apply Article 149 of the Constitution and that new presidential elections be held in Haiti. Second, the parliamentary committee asks for the ratification of the 23 February Washington agreement as a way to solving the crisis. As no decision resulted from these negotiations, the executive, the Army, and the parliament group agreed to meet again today at 2000 GMT to continue these negotiations.

More on Meetings*FL0505142792 Port-au-Prince Radio Tropic FM
in Creole 1200 GMT 5 May 92*

[Excerpt] No results have been reached within the scope of the tripartite discussions between the military institution, the provisional government, and the parliament in order to solve the crisis. A consensus was not reached at the third meeting at Villa d'Accueil last night. The bicameral committee in charge of negotiating with the other two institutions in the country, that is the executive and the Army, conducted the negotiations on the fundamental essence of the Washington agreement. The parliamentarians' proposal to end the Nerette-Honorat government, appoint a new prime minister, and to acknowledge President Jean-Bertrand Aristide as head of state of the Republic was supported temporarily. Then, Lieutenant General Raoul Cedras, who attended the meeting last night, asked: Who of us can assure social harmony after it is announced that President Jean-Bertrand Aristide will be coming back to the country? The parliamentarians answered Lt. Gen. Raoul Cedras: We cannot give this guarantee and we can turn this question into: Who can guarantee social accord in the event that President Jean-Bertrand Aristide does not come back to Haiti?

The executive remains fundamentally opposed to the parliament and asks for the continuation of the application of Article 149 of the Constitution, the formation of a consensus government, and new elections in the country. [passage omitted]

Bonaire Reports on Meeting*FL0605114992 Bonaire Trans World Radio
in English 1130 GMT 6 May 92*

[Text] Haiti's interim government, Army, and parliamentary leaders have held another round of talks to resolve the nation's political crisis. Although the details were not released, reports say chances are better than ever for ratification of the OAS accord that would provide for a negotiated return of President Jean-Bertrand Aristide.

Leaders Deplore 'Acts of Terrorism'*FL0505222992 Port-au-Prince Radio Metropole
in French 1600 GMT 5 May 92*

[Text] The tripartite meeting, which met yesterday at Villa D'Accueil to negotiate a solution to the political crisis, has issued a joint press release condemning the attack against Senator Raoul Remy in Cap-Haitien and the attack on the military barracks in Le Cayes' (Bergerau) over the weekend. The Senate president deplors these acts: the sorrow of the parliament which for the second time has been the target of this bizarre terrorism. He also asked for serious measures to prevent these kinds of threats intended, according to him, to terrorize parliament members.

The executive has expressed the determination of government services to work quickly to prevent and avoid a repetition of such acts.

The Armed Forces have deplored the attacks and have called for increased vigilance while they continue to do all they can to prevent and suppress acts of terrorism.

CONACOM Condemns Attacks*FL0505221292 Port-au-Prince Radio Metropole
in French 1600 GMT 5 May 92*

[Text] The National Congress of Democratic Movements, CONACOM, condemns the attempted murder of Senator Raoul Remy. CONACOM also denounces the attack on the (Bergerau) police barracks. CONACOM is reminding everyone that no viable solution to the crisis can be achieved through violence.

Belize

Repatriation of Salvadoran Refugees Begins

FL0105150492 Bridgetown CANA in English
1403 GMT 1 May 92

[Text] Belize City, May 1, CANA—Three months after the signing of a peace accord in El Salvador, the first group of Salvadoran refugees in Belize has been repatriated to their homeland. The repatriations are part of an effort being made by the United Nations High Commissioner for Refugees [UNHCR] to ferry home thousands of Salvadorans who have fled over the last 12 years of civil war, mainly to Mexico.

A group of 19 flew out on Wednesday afternoon under a month long programme of voluntary repatriations being funded by UNHCR. A further 26 are due to leave next week and Belize's director of refugees, Ken Tillett said 200 have already applied for the programme. Tillett said the repatriations were a good start. "It shows there is hope for the refugee returning to his home and that Belizean concerns are now beginning to be answered," he said. Tillett said he could not be sure of the overall numbers but as many who wanted would be sent home on a first come, first served basis.

"This is something that is done in the international community whenever there is a refugee situation. I am very happy to see it started in Belize so soon after the settlement of the peace in San Salvador," said Tillett.

Throughout the conflicts in El Salvador and Guatemala, and to lesser extent Honduras and Nicaragua, Belize has been a tranquil spot for refugees. Current estimates put the number of migrants, including those officially classed as refugees, at between 30 and 40 thousand, or about one fifth of the total population. This situation has put enormous stress on the education and health services.

Two weeks ago the government announced it had been successful in receiving funding for four health projects after intensive lobbying at the International Conference on Central American Refugees. Just under 1 million U.S. dollars have been pledged to fund the projects which have been drawn up under a policy which is designed to directly benefit Belizeans as well as the migrants.

The projects include improvements to the Belmopan Hospital where approximately 60 per cent of patients are currently refugees or displaced persons. The other projects are aimed at improving maternal and child nutrition and decreasing teenage pregnancies as well as support for planning in the Ministry of Health.

Government officials, and representatives of international agencies and non-governmental organisations have been meeting this week at a workshop to review the law and policy on refugees. It follows the passing of a

Refugee Act last year which brought Belize into line with the 1951 Geneva Convention and the 1967 Protocol on Refugees.

El Salvador

Cristiani Opens Central Bank Governors Meeting

PA0605030092 San Salvador Radio El Salvador
Network in Spanish 1615 GMT 4 May 92

[Speech by President Alfredo Cristiani at the opening of the 29th continental meeting and 54th meeting of central bank governors of Latin America and Spain in San Salvador on 4 May—recorded]

[Text] Central Bank Governors and Delegates of the American continent and Spain; Directors of the Latin American Center for Monetary Studies; Ladies and Gentlemen:

In the name of the Salvadoran people and government, we warmly welcome you to our country. Thanks to the efforts of all the people, El Salvador this year initiated a new stage of peace to facilitate the necessary structural changes in the economic, social, and political sectors so we can become a modern society. We will respect civilian rights more and more and become more eager to exercise and reinforce the democratic system, which is the basis for peaceful coexistence.

The lessons our people learned during the past 12 years were harsh and painful. Although we should not regret the past forever, we cannot fail to remember it: If we do not, we run the risk of repeating our mistakes. What happened in El Salvador during those years is not too different from what nearly all of Latin American and Caribbean countries experienced: flawed economic policies that originated in the populism and demagoguery of irresponsible politicians; a process of state interventionism that suppressed the private sector's creativity; protectionism, which closed off borders and created privileges that benefited a few at the expense of the great majorities; and a confrontation among classes that—stimulated by the intransigence of the extremists—triggered social unrest and, in the case of our country, led to a fratricidal struggle that cast the Salvadorans into mourning.

All this contributed to the greatest economic, social, and political crisis in our history. The results during the 1980's are sad. Our economy dropped to the level it was at 25 years earlier and inflation reached the highest point in our history, nearly 470 percent during those 10 years. There was a large deficit in the public sector, which was aggravated by the large losses brought about by the nationalization of the financial system, foreign trade, and agrarian reform. Exports decreased because of the loss of competitiveness of our products. In addition, situations were created that stimulated the flight of capital. The financial system's participation in an economic development that never crystallized decreased.

That led to the system's bankruptcy. The economic disaster, added to the destruction caused by the conflict and the lack of integral social policies, plunged two thirds of our population into poverty or extreme poverty, forced the emigration of more than 1 million Salvadorans, and caused the irrecoverable loss of approximately 75,000 lives.

All of that led the Salvadoran people to choose the path of change and modernization. This path, through the economic and social development plan, is directed toward progress and based firmly on concern for mankind. During the nearly three years of this administration, the stabilization program emphasized the reduction or elimination of serious imbalances that affected the Salvadoran economy. In that way, the most regressive and unfair of taxes—inflation—was countered. That fundamental action complemented a series of structural reforms to establish a social market economy.

In the social sector, the government has initiated a series of compensatory programs to ease the burden of the stabilization and adjustment process. The adjustment process has uncovered the critical social situation that a broad segment of our population has been plunged into by the implementation of nationalization policies.

Furthermore, profound reforms have been set in motion in the traditional social sectors, particularly in the fields of health and education. The entire development effort, which coordinated economic and social policies, was intended to achieve a fundamental goal: to create the resources and conditions necessary to combat the causes of poverty at their very roots.

I am convinced now more than ever before that it is essential for us to remain on the path of modernization and economic opening, to encourage the private sector's creative initiatives, and to rebuild the country within a framework of macroeconomic stability. In that process, many phases of which will prove difficult, it is essential to maintain financial discipline and to allow the central bank to be independent and free of political pressures so it can become the key institution that zealously protects stability and encourages the economy's harmonious growth.

Another basic condition is the avoidance of temptations of populism, which only seeks easy short-term solutions. I firmly believe that only if we responsibly fulfill these conditions will we produce the necessary resources to improve the entire population's standard and quality of living, especially that of the most needy.

The progress that has been made in El Salvador as a result of the stabilization and adjustment programs is encouraging because it goes beyond the goals established in our economic and social development plan. The economy has grown by 3.5 percent during each of the past two years, twice the average of 1984 to 1989. Inflation reached 7.5 percent annually in March 1992, the lowest percentage recorded by our consumer price index, which dates back to 1978.

International reserves stand at almost four months of imports, and we are not behind in our payments abroad. Tax collection has increased by the equivalent of one point of the GNP over the past two years, reaching 8.6 percent in 1991. Various policies, measures, and actions have been coordinated in a manner such that simultaneous progress has been made in different areas, thereby facilitating the process of economic stabilization and readjustment without sacrificing economic growth. Thus, we totally deregulated the exchange system, which along with the program to lower duties and nontariff barriers, has opened the Salvadoran economy to the world.

In the commercial sector, state coffee and sugar monopolies have been abolished and price control has been eliminated. A broad tax reform is being developed to improve the administration of taxes and establish a simple system that can be applied generally and without distortions. Also set in motion is a profound reformation of the financial system aimed at deregulating it, preparing it for privatization, and strengthening it so it can operate freely under market conditions. To this end the legal framework has undergone a total readaptation, emphasizing the law to guarantee and strengthen commercial banks and savings and loans associations; the organic law of the financial system's superintendency; the law to privatize commercial banks and savings and loans associations, which has already facilitated the privatization of three banks; the bank and finance company law, which regulates the operations of these institutions; and the organic law of the Central Reserve Bank, which renders the bank autonomous and frees it from political pressures.

Those things, added to the stock market's recent opening, has broadened the frontiers of financial opportunity in El Salvador. Thanks to the structural changes and the disciplined management of our monetary and interest rate policy, the financial system has been strengthened and has become an active promoter of the economic development process that began two years ago.

Though we have come a long way in the process of change, I must admit that we still have a long way to go. The path will not be easy now that we have initiated the phase of national reconstruction. That will be one of our hardest tests because, on the one hand, we must meet huge demands that cannot be delayed, and on the other hand, we must, in a disciplined manner, maintain the course of action established by the social and economic development program. It would be illogical to lose what we have accomplished through so many sacrifices.

Fortunately, the national reconstruction effort is beginning in the new atmosphere created by the end of the internal conflict by way of a political agreement that is unprecedented in our history.

I knew this conflict was the greatest hindrance to any attempt at national stabilization and development. Consequently, my first duty upon taking office was to end it

in a serious and definitive manner and to create the conditions that would allow El Salvador to decisively start making progress.

Since the conflict was basically political in nature, its solution had to be political. Therefore, the manner in which peace was achieved in El Salvador is profoundly commendable because it was based on a need for historic wisdom to prevail over any type of violence. The achievement of peace by way of a solution of this nature has made it possible at present for us to discuss economic and social development, not only with hope but with a real possibility of sustained progress for all the sectors that comprise the Salvadoran nation.

Distinguished authorities, this meeting of governors of central banks of the American continent and Spain unquestionably gives us all an opportunity to learn by exchanging experiences and to find better ways to successfully carry out the inevitable process of change. We will also gradually establish the compatibility of subregional and regional policies, facilitate the integration of economies, and form economic blocs that will benefit our people in this new era of world trade.

Having concluded my speech, I reiterate my best wishes that this meeting [6-second break in reception].

Guatemala

President Serrano Threatens To Close Schools

PA0505001192 Panama City ACAN in Spanish
1549 GMT 4 May 92

[Text] Guatemala City, 4 May (ACAN-EFE)—Guatemalan President Jorge Serrano Elias told high school students today he will close schools and cancel their registration if they continue staging protests in the streets. In a message broadcast over a national network, Serrano Elias warned he will not hesitate "to apply the law against student vandalism."

Last week, students of the Central Institute violently demonstrated in Guatemala City to demand the appointment of teachers. They damaged some stores and city buses. During the disturbances, the police arrested over 80 students, who were turned over to the courts.

"The students who create unrest and street disturbances, who behave like criminals and break the law, will be punished according to the law," the president pointed out. He announced that the government was determined to close schools and cancel student registrations in schools where the students are planning to carry out demonstrations "because we will not allow violations to go without punishment."

Meanwhile, the Coordinating Board of Secondary School Students announced today it will call for more demonstrations to demand the release of the arrested students.

The National Association of Intermediate Level Teachers [ANEEM] has also charged that the government is planning to privatize education and even place the high schools under military control. The ANEEM emphasized that "the president's threatening attitude, his threats to close school and cancel student registrations, is part of a preconceived plan."

Students Blockade Streets

PA0505001292 Mexico City NOTIMEX in Spanish
1814 GMT 4 May 92

[Text] Guatemala City, 4 May (NOTIMEX)—Hundreds of high school students today blocked the streets adjacent to the Guatemalan National Palace and demanded the release of 187 students arrested last week by riot police.

Leaders of the movement said the students who demonstrated in front of the Education Ministry were demanding the dismissal of Education Minister Maria Luisa Beltranena, claiming she has not been able to solve national education problems.

Leaders of the Coordinating Board of Secondary School Students said the government has until 1200 on 5 May to release the arrested students, or they will take to the streets to protest even more.

Human Rights Attorney General Ramiro De Leon Carpio warned President Jorge Serrano Elias today that a violent social explosion could be unleashed, with very regrettable consequences, if the student problems are not resolved.

Byron Morales, leader of the Labor and Popular Action Union [UASP], told NOTIMEX that his group "hopes the government will take back its threats to close the schools because it could lead to more violence on the part of the students, who are only demanding a better education."

National police are closely following the protests, despite the human rights attorney general's criticisms. He condemned the force used by the police last 28 April to arrest the students from the Teachers' School.

Bomb Explodes Across From Presidential Palace

PA0605164792 Paris AFP in Spanish 1558 GMT
6 May 92

[Text] Guatemala City, 6 May (AFP)—A bomb exploded on 6 May at the Education Ministry offices. The offices are located across from the Presidential Palace in downtown Guatemala City. Official sources said the explosion injured a woman and caused extensive damage to the building. The bomb was planted in a bookstore located in the Lucky Building across from President Jorge Serrano's offices. Also on 6 May, the fire department reported receiving at least eight bomb alerts.

The incident occurred at a time when the Coordinating Board of Secondary School Students (CEEM) is demanding the release of more than 100 students arrested during last week's demonstrations.

On 5 May the courts released the first group of students. They were arrested during a protest demanding that the government fill teacher vacancies at various schools.

Nicaragua

Chamorro Comments on Canceled Trip to Colombia

PA0605053192 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 5 May 92

[Interview with President Violeta Chamorro by unidentified reporters; place and date not given—recorded]

[Text] [Reporter] Mrs. Chamorro, it was announced that on 4 May you would travel to Colombia to meet with President Cesar Gaviria. Why did you decide to cancel your travel plans?

[Chamorro] You are correct. As you mentioned, I had planned to travel to Colombia during the early morning hours of 4 May to meet with President Gaviria. He informed me that he would be sending his airplane to pick me up. The purpose of my visit was to strengthen the ties between both countries and, at the same time, to straighten out some problems we had inherited. Unfortunately, due to circumstances beyond my control, it was impossible for me to travel, so I had to cancel my plans.

As president of the Republic of Nicaragua, my presence here is essential, especially at times such as these when there are so many hotheads going around trying to promote problems among the people. That is uncalled for. As president of the Republic, I must remain here to direct and to witness what is about to take place. That is the reason I did not travel. I was forced to call President Cesar Gaviria and explain why I canceled the visit to Colombia. He understood my reasons, since every country has its own problems to solve, especially at a time when democracy is starting to take root.

[Reporter] Mrs. Chamorro, the media has been saying there is a crisis taking place in Nicaragua. What is your opinion on that?

[Chamorro] To be quite honest, I would not call it a crisis. When any country is undergoing a transformation from a totalitarian government to a democracy, there are bound to be problems. Those problems must be solved by all of us, working together for democracy and liberty and against corruption. Moreover, we must work for the well-being of all Nicaraguans. That is exactly what we have been doing for the past two years. I would prefer to describe what is currently taking place as a transformation to a nascent democracy.

All issues in Nicaragua will not be solved overnight. If that were the case, we would have resolved everything a

long time ago and would be at the bottom of the barrel by now. Nicaragua is now like a rope with several knots, and we must untie each knot, one at a time. That is the way it must be done. Nicaragua was left without any money, and we still do not have any money today. If certain people continue to cause more problems, they can be sure that no one will want to invest in this country. Under such circumstances, we will not have the capital to encourage production.

What does Nicaragua need at this time? We need to make our land more productive. Now I ask you, how is the land going to be more productive? Only through the work and effort of each Nicaraguan.

[Reporter] Mrs. Chamorro, please allow me another question. Commander Franklyn [Israel Galeano] was involved in a traffic accident this morning and died afterwards. He signed the Resistance's agreement to demobilize. What is your opinion of Commander Franklyn?

[Chamorro] I firmly believe that Commander Franklyn's conduct should serve as an example for all Nicaraguans. He was a man who fought for democracy, and who gave up his weapons in the name of peace, liberty, growth, and reconciliation among all Nicaraguans. A special tribute must be extended to Commander Franklyn for his efforts.

I want to take the opportunity to call on all those armed groups to follow the example of Commander Franklyn who, when the time came, surrendered his weapons in the name of peace and reconciliation. All those Nicaraguans—because all those armed groups are Nicaraguans—must surrender their weapons so they may work in peace. It is impossible for them to work in peace with guns in their hands. I call on them to stop killing each other over issues that can be resolved by other means. Weapons are no longer needed in Nicaragua and should be destroyed. They should not even be sold. Those weapons are worthless, and they will not help us reconstruct Nicaragua. I want to bury them because I want to bury war once and for all. I want a lasting peace.

Lacayo Says Violence Will Not Be Tolerated

PA0605041092 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 5 May 92

[Text] Groups of revueltos [mixed recontra and recompa elements] today seized the Esteli Mayor's Office and set fire to court records. Presidency Minister Antonio Lacayo has stated that the government will not tolerate such acts of violence.

It has been reported that the mayors of Region I have issued a statement rejecting all destabilizing and anti-democratic actions and have called for common sense to prevail. Maria Elsa Suarez reports:

[Suarez] Region I mayors have met with the minister of the presidency and with other cabinet members. One of

the most important issues they discussed is the situation that prevails in the country and the agreements reached with recontras and recompas. During the meeting it was reported that the Esteli Mayor's Office and the court records have been set on fire.

[Begin Lacayo recording] We have held a frank dialogue about the need to do something because there are people who believe they are going to resolve their problems by violating the rights of others. The mayors feel truly frustrated because their efforts to support their communities are obstructed by violent people who stop at nothing. [end recording]

Lacayo said there were problems in Jalapa and that an effort was made to seize property records in Ocotal.

[Begin Lacayo recording] They are thieves. They take advantage of the confusion to eliminate evidence that may harm them. This is serious. The mayors are very concerned. We, as representatives of the government, have told them it must be clearly stated that these methods lead nowhere. [end recording]

Lacayo reported that the situation in Region 5 and Rivas has been resolved. The situation in Jinotega is calmer following a meeting between the government and the Nicaraguan Resistance to relieve the tense situation that existed there. The Government Ministry also has carried out persuasive campaigns, and the police presence has increased to prevent acts of violence. The presidency minister has said he will not tolerate any more violence.

[Begin Lacayo recording] We cannot tolerate this situation. There are persons who are facing charges in those very courts and who are taking advantage of the situation to provoke a crisis. We are going to act very energetically against these sectors. [end recording]

Meanwhile, the Region 1 mayors today issued a communique rejecting destabilizing and antidemocratic actions by irregular groups.

Lacayo Meets With Private Enterprise Council

PA0605034592 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 5 May 92

[Text] A government delegation headed by Presidency Minister Antonio Lacayo met with COSEP [Higher Council of Private Enterprise] on 4 May to analyze the national situation. Lacayo said the government will fulfill the agreements that have already been signed with the groups that have laid down their weapons. He added that the government will not sign agreements, for the time being, with other organizations that have emerged spontaneously and with which there have been no negotiations.

Lacayo commented on the actions carried out by the so-called revueltos [mixed recontra and recompa elements] and said that this stage is to strictly fulfill the agreements the government has signed.

[Begin Lacayo recording] What we have here is a mixture of everything. It is very dangerous because the country's stability is in jeopardy. We have begun a dialogue with those groups with which we have pending commitments to give them absolute guarantees regarding the government's will to comply with the agreements and to tell them that, following instructions from the president, in May, June, and July we will be dedicated to fulfilling the agreements.

That is assuming that this government does not sign any new agreements. Because of our attempts to solve the people's demands through dialogue, we have found ourselves with too many agreements, which puts pressure on the resources the government has for this kind of solution.

Thus, we will pass on to a stage of strict fulfillment of the agreements. The important thing is that the people who signed or who are protected by the different agreements signed by the government should feel that the government guarantees the fulfillment of those agreements. [end recording]

Regarding the reports on the closing of two banks in the country, Lacayo said:

[Begin Lacayo recording] The presidency minister has assured former president Ortega that the government does not plan to privatize the state banks. What has happened is that over these two years, a number of documents have been drafted and some of them have mentioned that possibility. However, that would go against the Constitution, and we will not go against the Constitution.

Besides, we have been very clear in this regard with the board of directors of the Bank of Nicaragua and the National Development Bank. Both institutions have a strategic importance in this country. [end recording]

Lacayo said the government and the COSEP will discuss topics related to the national situation at this meeting.

Various Sector Leaders Discuss Economic Problems

PA0605014492 Managua Radio Sandino in Spanish 1830 GMT 5 May 92

[Text] Approximately 600 leaders of the National Union of Farmers and Cattlemen [UNAG], the former Sandinist People's Army, the Government Ministry, and the Nicaraguan Resistance met on the morning of 5 May with important leaders of the Sandinist National Liberation Front [FSLN] and top government leaders.

The purpose of the meeting, according to former President Daniel Ortega, was to find solutions to the difficult economic situation in the country. Ortega said that, at the latest bipartite meeting, the FSLN suggested to the government that temporary land titles be issued and that credits be granted to thousands of medium and small staple grain producers to encourage production.

Daniel Ortega insisted that it is necessary to create jobs for thousands of workers who have been negatively affected by government economic policies.

It is expected that important government officials will make important announcements this afternoon.

In spite of the significant number of sectors represented at the meeting, Nicaraguan Resistance Commander Bravo Treinta said he is only moderately optimistic about the results of the meeting:

[Begin recording] [Treinta] I do not expect too much because this is not the first time I have dealt with the government and [words indistinct].

[Unidentified reporter] Will there be a change of attitude in the future because of this meeting?

[Treinta] It is possible [words indistinct]. [end recording]

Liberal Party Supports UNO's 'Open Letter'

PA0505184592 *Managua Radio Catolica in Spanish*
1100 GMT 4 May 92

[Letter from the Independent Liberal Party, PLI, National Executive Committee to the National Opposition Union, UNO, Political Council, issued in Managua; date not given]

[Text] National Opposition Union [UNO] Political Council. Dear Sirs:

Our party's Executive Committee wishes to state the Independent Liberal Party's, PLI, stance on the country's situation and its future actions within UNO in connection with the open letter of 25 or 27 April sent by UNO political parties to President Violeta Barrios de Chamorro.

1. PLI members traditionally have supported alliances that seek freedom, democracy, and authentic social justice for the people of Nicaragua.

2. Two years after the installation of Mrs. Violeta Barrios de Chamorro's government, PLI members see with great concern that the original program for the national salvation government, agreements, and commitments made by President Chamorro with UNO and the Nicaraguan people have been unfulfilled, violated, and distorted.

3. PLI members have witnessed that in the past two years actions by the Chamorro government's Executive Branch, which has defined and made official its collusion with the defeated Sandinist National Liberation Front, have worsened the economic, political, and social crisis, as well as the corruption, vices, and nepotism rampant in the previous government—a state of affairs that the people combated with courage, and the reason why the majority of the people voted for a change on 25 February 1990.

4. PLI members feel the rash remarks made in Washington by Antonio Lacayo, this government's regent

[regente] and presidency minister, to the effect that this government is a continuation of the 1979 revolution, constitute an act of treason against the Nicaraguan people.

5. PLI members censure Mrs. Chamorro's guilty silence regarding these remarks by her son-in-law and regent, as well as her contempt in the face of a UNO request that she publicly disavow that statement.

6. The PLI notes with concern the attitude of some parties within UNO that fail to voice a categorical and strong view to demand compliance with the will of the majority, expressed on 25 February 1990. The conceit of those parties undermines UNO's actions in favor of the Nicaraguan people. For the sake of effective unity, the PLI now supports with its signature the open letter from UNO parties to Mrs. Chamorro. The PLI explains its stance in favor of unity and solidarity. Support for UNO will be all the more real and effective when the political actions by this alliance become more active and meet the demands and needs of the people, especially the people who trusted and voted for UNO.

[Signed] Sincerely, Julia Mena Rivera, acting national president of the PLI National Executive Council.

Copies to UNO political parties.

Panama

Endara Visit Provokes New Violence in Colon

PA0505184192 *Panama City Telemetro*
Television Network in Spanish 1730 GMT 5 May 92

[Report by Jose Gomez]

[Text] President Guillermo Endara's 5 May visit to the city of Colon was unsuccessful. Members of the Movement of the Colon Province Unemployed refused to meet with the president at Brazos Brooks Golf Club. A meeting was held at the club with Corregimiento representatives, while the unemployed immediately organized a march through the city's streets after hopes of meeting with the president were dashed. Although the president declared Colon a priority zone and moved up the investment budget's schedule, it was impossible to stop the demonstration from leading to a new wave of violence in Colon, pitting the unemployed against riot policemen.

Streets Blocked During Meeting

PA0505194592 *Panama City Radio KW Continente*
in Spanish 1852 GMT 5 May 92

[Report by David Perez from Colon]

[Text] Public Force personnel are repelling demonstrators in Colon with tear gas and birdshot; sporadic clashes are erupting with demonstrators. Demonstrators have

erected roadblocks and torched tires to protest the situation. They have managed to occupy a stretch of 16th Street, where they have started to erect roadblocks and interrupt traffic.

President Endara, his ministers, and certain Colon Province authorities are still meeting at the Brazos Brooks Golf Club to find solutions to the situation in Colon, and to meet the demonstrators' demands.

Trucks were parked across the 40-foot entrance to Colon to prevent any vehicle from entering or leaving. Stores are gradually closing their doors in response to the crisis here.

Vandalism Detailed

PA0505200192 Panama City Radio KW Continente
in Spanish 1900 GMT 5 May 92

[Report by Cristina Lara de Rowe from Colon—live]

[Text] [Lara] Since the morning of 5 May, there has been tension in Colon, especially on Central Avenue. Vandalism is presumed to have been perpetrated by members of Modesco [Movement of the Colon Province Unemployed] and Frasco, Broad Front for the Rescue of Colon [Frente Amplio para la Salvacion de Colon]. It has been reported that student groups from several Colon schools have also participated in vandalism. At approximately 1100, demonstrators closed 16th Street, but riot police dispersed them. Demonstrators then set fire to a National Water and Sanitation Institute vehicle on 14th Street. Those actions are to protest President Endara's decision not to go to the center of Colon to hold a meeting with the local residents. At this time, explosions from Molotov cocktails can still be heard. Tear gas is affecting the demonstrators as well as people living on or near Central Avenue.

We have also received last minute reports indicating that part of the building housing the Colon Province Governor's Office was also set on fire. Firefighters have managed to extinguish the blaze.

Meanwhile, tension prevails on Central Avenue. The meeting that President Endara held elsewhere with representatives of Colon Province since 0930 is over.

[Announcer in Panama City] Do you have any reports about injured people?

[Lara] There are reports that young men participating in the protests have been injured. We are trying to obtain more details.

[Announcer] Can you tell us anything else about what is happening in Colon Province?

[Lara] Well, in addition to the acts of vandalism that still continue this afternoon, Frasco has called for a meeting to be held at the cathedral while Modesco has called for a meeting at Saint Joseph's Church.

Endara Speaks

PA0505201092 Panama City Radio Soberana
Civilista in Spanish 1444 GMT 5 May 92

[Speech by President Guillermo Endara Galimany at the Brazos Brooks Golf Club, Margarita, Colon Province—live]

[Text] I would like to read a presidential declaration, but before doing so I would like to make a brief comment. The promises I made during my political campaign in Colon have been mentioned a lot. I reviewed those promises, and every one of them has been either kept or is in the process of being kept. I have already kept the main promise I made during the big Colon rally: To devote to Colon Province the funds from Transit, Incorporated. These funds were going into the private pockets of certain military top cats and civilian big wheels. I made that promise a reality within my first year in government. I must add that I made it a reality with much opposition and very little support, but I made it a reality because it was a promise I made to Colon.

The fact that I have kept or am in the process of keeping the promises I made to Colon does not mean that I will not do more for Colon than I have done already.

I feel committed, very committed, to the people of Colon, because they have been misunderstood. It has been said that the Colon people are not hard workers. I have practiced my profession as a lawyer here, and I know that Colon people are hard workers. Proof of it is the large number of Colon people who are running businesses, even in provinces other than Colon.

I know that Colon is a poor area, an area that needs the best possible support from the government and the private sector. For that reason, I will not spare any effort in benefiting Colon with everything the government can do for it.

Having said that, I would like now to read this presidential declaration. I must say that I will read it, even though the gentlemen from the Movement of the Colon Province Unemployed [Modesco] are not present. Unfortunately, they are not present. Because they said they were not officially notified. I sincerely regret that. I will read this, hoping that the groups that represent Colon will accept this declaration and make it a reality.

Presidential Declaration of Urgent Measures for Colon Province

1. The executive branch will declare Colon Province a zone of provincial emergency through an executive decree that will be issued this week.

2. The national government will issue, on a priority basis, a budget for investments in Colon Province.

3. To make effective the declaration mentioned in No. 1 above, the government will create a top-level commission made up of eight members chosen on an equal basis:

four by the government and four by Colon civic groups. The commission's basic duty will be to establish an overall plan for Colon Province. That plan will emphasize the creation of jobs and a study of alternatives for the province's development. The top-level commission will draft its first report within three months. The commission will be able to create as many subcommissions as there are ministries and autonomous agencies in the government. The subcommissions will channel and present to the top-level commission solutions to the problems inherent in the ministries and autonomous agencies.

4. Effective 11 May, the national government, through the Labor and Social Welfare Ministry and its specialized agencies, will proceed to register all those who want a job, thereby creating a job bank. The registration will be done expeditiously and will be aimed at collecting the people's basic qualifications to include them in the labor plan for Colon in an effective manner. The registration will be carried out in the regional labor office located on 5th Street and Front Avenue, in the INAFORP [National Institute for Professional Training] building, from 0900 to 1500.

5. The national government commits itself to add to Article 7 of Cabinet Decree No. 74 of 27 June 1990, regulating the special vigilance service for the Colon Free Zone, a paragraph adding two more members to the President's Advisory Board, one appointed by Modesco and another by the Broad Front for the Salvation of Colon.

6. The national government reiterates its willingness to enforce, where applicable, Article No. 41 of Law 93 of 4 October 1973, which states: No one can be evicted from a dwelling for reasons of delinquency when the tenant or the persons who live with him are in no material conditions to pay rent because of sickness, unemployment, or a lack of sources of income other than salaries.

7. The government commits itself to assigning at least 50 percent of the Special Fund for Low-Income Housing to housing in Colon Province.

8. To legalize the status of residents on occupied lands in the reverted areas, the approval of Decree No. 42 of 6 November 1991 by the Legislative Assembly Housing Commission is required, according to the procedure established by Law No. 1 of 14 January 1991.

Although the abovementioned decree has not been approved, the Housing Ministry has held meetings with residents in various neighborhoods to report to them on the technical and social requisites for such legalization.

9. The Housing Ministry will begin the process of legalizing land titles to residents of Villa Liriola, founded in 1984 after the occupation of land in the Martin Luther King project, sponsored by the National Mortgage Bank and private land belonging to (Berabas, Inc.)

10. The regulations of the reverted areas contained in Decree No. 42 of 6 November 1991 for the properties assigned by way of Resolution No. 18 of 8 February 1991 to the National Mortgage Bank will permit us to begin a program to sell land and build houses.

11. The National Mortgage Bank will allot 250,000 [currency not specified] that will be used to repair and paint its buildings for rent in Colon Province.

12. Concerning the appointment of Education Ministry personnel, of 1,035 teachers required for the elementary school sector, 1,007 have been appointed permanently, only 22 have been appointed temporarily, and 10 appointments are being processed. In addition, of 757 professors required by the Colon school system, 660 have been appointed permanently, 97 have been appointed temporarily, and nine appointments are being processed.

Regarding the Education Ministry's investments in this province, a sum of 1.330 million balboas have been invested between 1990 and 1992, broken down as follows: 1.3 million balboas in construction of classrooms and in major and minor repairs; 65,000 balboas in construction of school furniture. There were 31 major construction projects and 55 minor repair projects. Five projects to build classrooms were undertaken, which benefited more than 80 schools in the region. Regarding school furniture, 1,600 chairs have been distributed, along with 40 desks, 40 tall chairs, and 15 murals, thereby meeting the needs of 120 schools.

For 1992, the Education Ministry program consists of 23 projects in Colon Province to include repairs, annexes, and construction projects.

I should point out the emphasis the Education Ministry placed on the school nutrition program by giving preferential treatment to the province, particularly Donoso District. In Donoso District, the Education Ministry and the Social Emergency Fund are working to meet the food needs of 38 schools. It is estimated that three deliveries will be made for 550 quintals of rice, 228 quintals of beans, and 891 gallons of oil.

In another 126 schools in the province, 2,106 quintals of rice, 29,700 pounds of beans, and 2,400 gallons of oil will be distributed. In sum, the government will meet the needs of 164 schools with 9,953 students. This represents 39 percent of the total student body of Colon Province.

It should be pointed out that during 1992, 25 schools will be equipped with necessary tools and supplies, which are already in the Colon regional warehouse.

13. The pharmacy at the Prospero Melendez Clinic will be open until midnight or through the night, according to an operative evaluation of Colon's integrated health system.

14. The Commerce and Industries Ministry will pay 150,000 balboas in assistance to Colon small businessmen to cover losses sustained in December 1989. The corresponding checks will be delivered in less than 15 days.

15. The National Port Authority will fulfill the presidential order to transfer its main office to Colon Province.

16. All contracts for Colon Province will contain a provision stating the following:

With the exception of administrative, office, and field personnel, 100 percent of the workers hired by the contractor for the construction must be Colon Province residents. Only in the case that skilled personnel cannot be obtained in the province can there be an exception, with the due authorization of the appropriate ministry.

17. The government and the Panama Refinery are negotiating in good faith a new contract that will replace the current contract, which will expire shortly. Only a few points need to be resolved to reach an agreement. The latest point that was resolved was one dealing with the investment the refinery will make to modernize and update its facilities. It has promised to invest more than 77 million balboas for this purpose. The final contract will be subject to the Legislative Assembly's approval.

18. The Human Resources Education and Training Institute, IFARHU, will present a program of scholarships for Colon within 60 days so that through 30 annual scholarships in 1992 and 1993, the beneficiaries can study and receive training at the INAFORP.

19. The Agricultural Development Ministry's Agricultural Extension Department has specific plans for the increase of subsistence farming. These plans will be implemented without delay.

20. The technology transfer programs in the agricultural sector will be implemented immediately so production will be more efficient and profitable. The cooperation of farmers and producers is required for their effectiveness.

21. Colon, with its protected areas—which include the entire Chagres River basin, Portobelo park, and the rainforest of Gatun Lake—will be favored with ecological and forest protection programs to be carried out jointly by the Agricultural Development Ministry, the Institute of Renewable Natural Resources, and nongovernmental organizations such as the National Association for the Conservation of Nature, Natura, and the Smithsonian Institute.

22. There will be adequate financing by government and private banks and nongovernmental organizations for profitable development projects. The strategy for the immediate development of this sector, which was published by the Agricultural Development Ministry, includes Colon and several other basic areas.

23. The cacao project has technical problems caused by the plant disease that has affected all the plantations

throughout the Caribbean, the low market prices, and the small local market. Nevertheless, possibilities are being studied to save the cacao and African palm plantations and to establish new programs by using the (Icacal) installations. Improvisation in the planning, bad management in the implementation, and the previously mentioned technical problems make an immediate solution difficult. Nevertheless, the Agricultural Development Ministry will study the problems, along with those affected.

24. Regarding the transfer of the Colon jail, some cells were repaired and remodeled at the Cristobal jail this year at a cost of \$210,000. Approximately 70 prisoners are held there. The Colon jail, housing 500 prisoners, also was remodeled at a cost of \$197,000. New facilities will begin to be built this year. The current budget includes funds to begin the work this year, and the 1993 budget will include what is necessary to complete a \$2 million rehabilitation center for 500 prisoners. The Government and Justice Ministry's Engineering Department is working on the blueprints for a modular-type jail that can be expanded without much problem.

25. The Labor and Social Welfare Ministry has allocated to the Colon Blind People's Club an annual subsidy of 4,800 balboas, which will be handed out in quarterly installments of 1,200 balboas. The first installment is ready to be issued at the Labor Ministry and can be withdrawn immediately.

26. The Government and Justice Ministry reiterates its willingness to have local Colon authorities benefit from the revenue produced in Colon by the Traffic Department and the payment of driver's license fees and traffic fines. However, according to the budget law, those funds must be deposited at the national treasury. It is proposed that the Colon District authorities and the Government and Justice Ministry officials reach an agreement with the Comptroller General's Office, and if necessary, with the Legislative Assembly's Budget Committee, so these revenues will effectively reach the local Colon authorities.

That is the presidential declaration I wanted to read to you. Copies will be distributed to everyone present.

Colon Mayor Decrees Curfew

*PA0505211292 Panama City Radio KW Continente
in Spanish 1951 GMT 5 May 92*

[Report by David Perez from Colon City]

[Text] [Perez] Good afternoon. Clashes in Colon City continue. A meeting at Brazos Brooks Golf Club involving the president of the Republic, ministers of state, and province authorities, which lasted several hours, has ended. Moments ago, Colon District Mayor Alcibiades Gonzalez decreed a curfew starting at 2200. Gonzalez explains his decision:

[Begin recording] [Gonzalez] It is to keep people who do not need to be out off the streets, because those who are provoking vandalism and disorder are not members of the Movement of the Colon Province Unemployed [Modesco].

We are taking this opportunity to urge all Colon residents to reflect on the situation. Let us reflect on what we really want for Colon. I believe we have lost a tremendous opportunity due in part to arrogance, and in part to a failure to reflect on the situation. The first lost opportunity was having the president of the Republic and his ministers here looking for solutions.

Someone was saying that the president brought prefabricated solutions. The truth is that I do not know whether they were prefabricated, or whatever they want to label it. He at least brought 26 proposals that we must now ensure are fulfilled in the shortest time possible.

[Perez] Mr. Mayor, Modesco members said they plan to declare you a Colon traitor because of the developments. As for the violence, what measures will the Colon Mayor's Office adopt?

[Gonzalez] As for declaring me an enemy of Colon, or giving me any other label, that is really a matter of personal opinion. I have been a true Colon resident all my life. I believe I am doing the best I can, despite all the limitations, to improve Colon's well being.

People who make statements like that are completely lost in space. One should definitely not dwell in the past. It is worth recalling that many who are members or support this movement today were part of the previous regime that brought about this disgraceful situation because they left the country heavily indebted.

Nevertheless, we live in democracy, and each person may voice his opinion. We urge you to please reflect. If you really want to help Colon, adopt other kinds of measures. The Colon Mayor's Office will definitely continue to protect all citizens who require protection. The Public Force has already been advised in this regard. [end recording]

[Perez] That was Colon District Mayor Alcibiades Gonzalez discussing a curfew that was decreed here in Colon because of the ongoing disturbances.

Meanwhile, we can also report that several offices within the Colon Governor's Office building have been torched. That is all we can report for the time being on developments in Colon City. These developments occurred in the wake of the president's arrival and his failure to meet with Modesco and the Broad Front for the Salvation of Colon [Frasco]. Those groups demanded his presence in Colon City. The meeting, which was held at the Brazos Brooks Golf Club, has ended. Ministers of state and local authorities participated in the meeting.

[Unidentified announcer] David, we want to know whether the delegation already left for Panama City.

Some callers said the president reportedly had some problems. Do you know anything about that?

[Perez] Yes, that is true. Less than a half an hour ago, the president and his ministers of state departed for the capital city aboard two helicopters.

[Announcer] Is there a traffic jam at the four-corner intersection, as it is known, at this time?

[Perez] Yes, but not at the four-corner intersection. It is at the very entrance to the city. The area has been blocked. The Public Force tried to disperse the demonstrators, but they managed to return to the area. That has been an ongoing situation. The entrance to Colon City has been opened and closed in succession.

[Announcer] Do you know anything about a Modesco statement as to why they demonstrated today?

[Perez] Yes. Modesco and Frasco members said they wanted to meet with the president of the Republic in Colon City. He decided, however, to hold the meeting in the Brazos Brooks Golf Club, in an area isolated from Colon City and in the reverted area. They believe this is a high-class sector and not representative of the people.

[Announcer] Was the governor's building torched? Or part of it?

[Perez] Some offices near the governor's office were attacked by certain demonstrators who threw incendiary bombs. Those offices were burned. That was at about 1300. When that happened, we headed for the Brazos Brooks Golf Club and interviewed the president. However, due to technical problems, we cannot yet play the recording for you. We will have it for you later. He commented on his visit to Colon and gave his opinion of the situation. As for your question, yes, some offices near the Colon Governor's Office were burned by the demonstrators.

Stores closed their doors. Very little activity is noticeable in the Colon Free Zone area. Only a few companies are keeping their doors open.

U.S. Officers Linked to 1990 Coup Attempt

PA0405143492 Panama City EL PANAMA AMERICA
in Spanish 1 May 92 p 4c

[Report by Orlando Mendieta C.]

[Text] Chiriqui Province District Attorney Emilio De Leon disclosed that two Panamanian soldiers who participated in the December 1990 coup attempt linked two U.S. officers to that movement against President Endara's government.

De Leon said that due to these allegations, the Attorney General's Office must investigate that and other possibilities such as charges against politicians and union members.

Even though De Leon avoided disclosing the names of the Panamanian soldiers who involved their U.S. colleagues in the 4 and 5 December 1990 incidents, EL PANAMA AMERICA has been able to establish the testimony came from two former officers from the dismantled Panama Defense Forces.

Emilio De Leon clarified that the U.S. Southern Command 470th Military Intelligence Battalion does not appear linked to the movement led by (retired) Colonel Eduardo Herrera, but other officers no longer in the U.S. Army could be involved.

He added the investigations are aimed at U.S. officers who "we feel acted independently or on their own and were not representing the U.S. Government."

U.S. Ambassador Deane Hinton described reports that connect U.S. officers to the conspiracies against President Endara as "novel and imaginative."

The Chiriqui district attorney replied that these investigations have caused an upheaval because in Panama "we are not accustomed to touching the U.S. establishment [preceding word in English]... much less officers who are well-liked by an ambassador."

De Leon said that at no time did he link Hinton with actions against President Endara, but Hinton has come out with a "clumsy [chapucero] description that this is a novel."

The district attorney assured that the U.S. Criminal Investigation Division knew since 23 August 1990 that Herrera intended to stage a coup. He added it was also known in Fort Clayton that Herrera would escape from Flamenco prison on 4 December 1990 two days before it happened.

Democratic Revolutionary Party Legislator Mario Rognoni claims to have reports that following the December 1990 incidents, the U.S. Department of Defense held an internal investigation and released or retired four officers, including Col. James Steele.

Officers William Coix, Jack Pryor, and George Wineenger were the other officers who were retired, a reliable source said.

According to Rognoni, U.S. officers kept in contact with Herrera when he was National Police director to inform him of their concern regarding the Panamanian concept of security services, because they felt the best thing was to have a National Guard, not a police force.

Cruz Says U.S. Ties Not Likely To Deteriorate

PA0405143692 Panama City EL PANAMA AMERICA
in Spanish 2 May 92 p 2-A

[Report by Arnulfo Barroso Watson]

[Text] Attorney General Rogelio Cruz has dismissed the possibility of deterioration in Panamanian-U.S. diplomatic relations over statements made by Chiriqui Province's district attorney, who said four U.S. military officers were involved in the coup attempt against President Guillermo Endara in December 1990.

Cruz said he cannot see why diplomatic relations between the two countries would deteriorate over a few remarks based on unsubstantiated intelligence reports.

Crime is not the exclusive heritage of any country; such incidents take place in Panama as well as in the United States, said Cruz. He declined to comment on the reasons why the prosecutor, who also works for the Attorney General's Office, leveled the accusations. He added that existing reports thus far do not merit opening a legal case; evidence must be found and included in the investigation under way.

On 28 April, Attorney General Cruz met in his office with U.S. Ambassador Deane Hinton to examine the accusations leveled against the U.S. officers, the most notable of whom is Colonel James Steel.

An investigation was initiated after Chiriqui Prosecutor Emilio De Leon reported the involvement of Southern Command officers in the 4 December coup attempt, led by Colonel Eduardo Herrera.

Ambassador Hinton denied the accusations leveled against his fellow Americans, describing the allegations as fantastic; Attorney General Cruz did not dismiss the possibility of intensifying the investigation.

Attorney General Cruz Says Coup Possible

PA0405232292 Panama City EL PANAMA AMERICA
in Spanish 4 May 92 p 1-A

[Text] Attorney General Rogelio Cruz says the potential for a military coup in Panama has increased, and the majority of the responsibility for that problem may rest with civilian politicians, not with the current Public Force.

Cruz, who appeared on the television talk show "Lets Find Solutions," which is aired on Circuito RPC Television, said that limited political culture, huge social problems, a lack of institutionalization, and the people's frustration are factors that led to the military coup in 1968, and those factors are present once again.

According to Cruz, the coup attempts of October 1991 and December 1990 prove that movements to topple established democratic institutions are possible. He added that other types of coups, such as those in Peru and Venezuela, could also be staged.

Cruz stressed that throughout the years it has been proved that "Panamanians like authoritarianism," and there are definitely individuals who are interested in

returning to militarism. He also said the fundamental problem is not necessarily within but beyond the Public Force.

In response to a question concerning the U.S. presence as a coup deterrent, the attorney general said the only requirement is that "there be no red light" against the coup.

The top Panamanian prosecutor pointed out that the Panamanian people have not learned to live in a democracy and that a coup attempt could take place over the medium-term if the prevailing conditions are maintained and an agreement is not reached to strengthen the democratic system and produce an orderly political transition in May 1994.

Endara Criticizes Cruz

PA0505131692 Panama City LA ESTRELLA DE PANAMA in Spanish 4 May 92 p 1

[Report by James Aparicio]

[Text] Amid open differences between the executive and judicial branches, President Guillermo Endara said Attorney General Rogelio Cruz "talks too much when he talks of politics."

Endara's remarks coincided with those of his wife, Ana Mae Diaz de Endara, one week after Cruz warned of the possibility of a military coup in the country. According to Cruz, who has also been harshly criticized by the opposition Christian Democratic Party (PDC) and the Democratic Revolutionary Party (PRD), conditions in the country are ripe for a coup d'etat similar to that of 11 October 1968.

Endara said he is not satisfied with Cruz' work as attorney general because "investigations of the coups d'etat have been superficial."

Although Endara denied having any differences with Cruz or with the Public Prosecutor's Office, the president called the measure to place civilian and military supporters of deposed General Manuel Antonio Noriega under house arrest "crazy."

"We are not on the verge of anything. He (Cruz) talks too much when he talks of politics," the president reiterated.

Endara rejected Chiriqui Prosecutor Emilio de Leon's charges concerning the alleged participation of four ranking Southern Command officers in the 4 and 5 December 1990 revolt led by Colonel Eduardo Herrera.

"I do not think he should make such absurd statements," Ana Mae de Endara said, adding that, just like the people, "I am not satisfied with Cruz' work."

Cruz Responds

*PA0505160292 Panama City Circuito RPC
Television in Spanish 2300 GMT 4 May 92*

[Text] Despite the criticisms against me, I will continue to do my job, Attorney General Rogelio Cruz said on 4 May in reference to President Guillermo Endara's remarks about him. Cruz denied the existence of a conflict between the executive branch and the Attorney General's Office, saying that these situations are normal in a democracy.

Attorney General Cruz agreed with President Endara, who said investigations of coup d'etat attempts in Panama have been very superficial. Cruz said the main obstacle to those investigations has been a lack of coordination among government institutions. He said that, as a result, measures will be adopted, including the establishment of a liaison among the institutions to help during investigations. Cruz denied the existence of conflicts between the executive branch and the Attorney General's Office and referred to the president's criticism of Law 3.

[Begin Cruz recording] The law was proposed by the Supreme Court, approved by the Legislative Assembly, and signed by the president. I do not think the law differentiates between former civilian and military officials of the previous government. Therefore, such differences cannot be taken into account. [end recording]

The attorney general said that from now on investigators will have to bear in mind the case of former Captain Evidelio Quiel when they are about to approve house arrests. According to Cruz, the police are still investigating Quiel's escape. He added that it has not been ruled out that this action was linked to an attempted mass escape from jails.

[Begin Cruz recording] The only true fact in the matter is that three separate acts occurred simultaneously. They appear to be isolated, but they might be linked. The first act was the arrest of Mr. Gabriel Aparicio near the Renacer prison. The second act was the incident at the Balboa police station involving Sergeant Arcia. The third act was Quiel's escape from his house. It seems these three separate acts, which occurred simultaneously, might be linked. [end recording]

Fernandez Rules Out Coup

*PA0505171192 Panama City EL PANAMA AMERICA
in Spanish 5 May 92 p 1*

[Report by Juan Pritsiolas]

[Text] National Police Director Oswaldo Fernandez has "absolutely ruled out" the possibility of that security institution staging a coup d'etat against the government.

Fernandez, who met on 4 May with Attorney General Rogelio Cruz and Carlos Landero, acting Judicial Technical Police chief, stated that no conditions exist at the National Police for overthrowing the legal authorities.

The official admitted, however, that there is a possibility that some units are "dissatisfied" with the loss of some privileges and that others have let themselves be used by persons promoting a "campaign of attacks" against the police to cause anxiety within the institution, he added.

As National Police director, I tell all members of the institution that policemen who act correctly will receive the support of the government and the people, Oswaldo Fernandez concluded.

Former FDP Captain Organizing Coup Attempt

PA0405133192 Panama City KW Continente
in Spanish 1200 GMT 4 May 92

[Text] Reports from Chiriqui Province indicate that fugitive Evidelio Quiel, former captain of the defunct Panama Defense Forces (FDP), is in that province. He is reportedly heading an armed contingent and attempting to organize a guerrilla group to topple the current government.

According to reports, Quiel has already met with top members of the dismantled FDP who remain loyal to that organization to discuss ways to recover the ground they lost in the 20 December 1989 invasion.

Industrialists, Workers Issue Communiqué

PA0305171592 Panama City EL PANAMA AMERICA
in Spanish 2 May 92 p 1A

[Article by Juan M. Diaz]

[Text] A joint declaration issued by the Association of Panamanian Industrialists and the Confederation of Workers of Panama made public on 1 May notes that 28 months after the installation of a new government, the administration has not been capable of outlining a coherent and serious economic policy to ensure development and reorganize and conciliate Panamanian society, which is showing signs of decay.

According to the document, which analyzes the most serious problems of the country, unemployment is the worst social problem in the Republic and—with uncontrolled violence and extreme poverty—it could have dangerous consequences for the nation.

The communiqué adds that the constant charges of influence peddling and the institutionalization of "bribes" demonstrate the deterioration of the administration of public institutions and that Panamanian society is experiencing a deep crisis.

Concerning the energy crisis, the workers and industrialists point out that the lack of government action in forecasting the energy cuts is evidently to promote

privatization of the Institute of Hydraulic Resources and Electrification in a hasty and uncontrolled manner.

Concerning the socioeconomic problems in Colon Province, the communiqué points out that the negligence and inability of the rulers has led the Atlantic area to a progressive impoverishment. The communiqué adds that "to resurrect" the old project of a Colon Free Port would not solve the crisis, but would create additional problems in that area.

Arnulfistas in Chiriqui Form New Organization

PA0505032592 Panama City CRITICA LIBRE
in Spanish 4 May 92 p 31

[Communiqué issued by Arnulfista Action "For a Better Panama," in David, Chiriqui Province, on 23 April]

[Text] On 21 April a meeting was held by a group of Arnulfista men and women who are concerned about the state of abandonment of their fellow party members and divisions within the party. They agreed to form a group that will be called: Arnulfista Action "For a Better Panama."

The group intends to bring together all citizens who support the Arnulfista cause to demand that Guillermo Endara's government find solutions for the communities, and particularly for his fellow party members.

The group also intends to promote respect and support for private enterprise, which is the backbone of the country's economy, so jobs can be created.

Also among the group's goals is ensuring the safety and protection of citizens' lives and property and demanding that the national government enforce the laws and punish all the criminals who have almost cleaned out the state treasury.

Arnulfista Action "For a Better Panama" believes that precepts that had benefited the people over whom their leader and guide Dr. Arnulfo Arias M. (may he rest in peace) was so concerned have been betrayed, and the present government headed by an Arnulfista has failed to take its fellow party members into consideration, when they were the ones who truly struggled against the dictatorship since 1968.

The present government has kept individuals who supported the dictatorship in government positions. Moreover, there are CODEPADI [Committee for the Defense of the Fatherland and Dignity] and [Dignity] Battalion members who still enjoy their sinecures. Meanwhile, our people continue the long wait that began during the 1950's, with no hope of having their problems resolved because there is no resolve to help them.

Present at the group's foundation meeting were, among others, Vilma Bianco de Manccini, Olimpia Candanedo de Ortega, Julio J. Sanchez, Pedro Arauz, Gilberto Matus, Angel Herrera, Gil Eloy Almengor, Manuel Montenegro, Tomas R. Guerra C., and Hector Espinoza Pineda.

We would like to take advantage of this opportunity to invite all who wish to join the group to approach the aforementioned individuals for more information.

Arnulfista Action "For a Better Panama"

David, 23 April 1992

Hector Espinoza Pineda, Provisional Secretary

PTJ Raids Workers Socialist Party Office

PA0505233292 Panama City LA ESTRELLA DE PANAMA in Spanish 5 May 92 p 1

[By James Aparicio]

[Text] Last week the Judicial Technical Police (PTJ) raided the office of the pro-Troskyite Workers Socialist Party (PST), thereby violating due process, PST president Herasto Reyes has reported.

Reyes told LA ESTRELLA DE PANAMA that, fulfilling an order of Assistant District Attorney Heraclio Sanjur, PTJ officers searched the office of the PST after receiving a written report about the presence of weapons at the PST office.

Reyes stated that, surprisingly, the current chief of the computer section of the PTJ presented the report. He announced that the PST will file suit against him for slander and libel.

The PST, which opposed the regime of General Manuel Antonio Noriega until its fall in 1989, described the police action as "an abuse of the PTJ and the Attorney General's Office."

Endara Signs Border Treaty With Costa Rica

PA0505035892 Panama City CRITICA LIBRE in Spanish 4 May 92 p 22

[Report by Jose Otero]

[Text] Panamanian President Guillermo Endara Galimany and Costa Rican President Rafael Angel Calderon Fournier on 3 May signed a new border development cooperation agreement in the framework of the commemoration of the 51st anniversary of the signing of border treaties between the two nations.

The two presidents signed the bilateral treaty in Sixaola a few minutes after a ceremony was held on the bridge over the Sixaola River, which is the border between the two countries. A plaque was unveiled to commemorate the 51st anniversary of the signing of a border treaty between Panama and Costa Rica on 1 May 1941 by then Panamanian President Arnulfo Arias Madrid and Rafael Angel Calderon Guardia, father of the current Costa Rican president.

The new cooperation agreement for border development, signed on 3 May, consists of 14 articles. According to the two presidents, it will increase economic activities; raise the standard of living in the two countries' border towns; and reinforce the ties of friendship, mutual understanding, and democracy between the two countries.

The agreement will also serve to carry out investment and technical assistance programs and projects in the areas of agriculture, livestock, health, transport, natural resources, municipal administration, public works, education, tourism, agroindustry, planning, and integrated rural development. These projects are expected to have positive effects on the economies of the two young Central American republics.

The signing of this new treaty between presidents Endara and Calderon commemorated the 51st anniversary of the signing of a treaty between Arias Madrid and Calderon Guardia to end to border confrontations that had been occurring between Panama and Costa Rica since 1921.

After signing the treaty, President Calderon said the agreement will further reinforce the ties of respect and solidarity between the two nations since the 1941 treaties were signed. He added that he expects the usual harmony between the two peoples to be expressed in the consolidation of their relations.

In his speech, Calderon said the agreement contemplates the protection of the environment, as well as the fight against drug trafficking and gunrunning at the common border. He said he is giving impetus to the incorporation of Panama into the Central American struggle against drug trafficking.

When the two delegations moved on to the Panamanian border town of Guabito in Bocas del Toro to close the ceremony commemorating the 51st anniversary of the 1941 treaties, President Endara said: "This and many other facts show that the treaty signed by Arias Madrid and Calderon Guardia, rather than establishing divisions, geographically defines the unity of our countries for the good of their peoples, who at the border demonstrate they are a great family whose members share work and hope."

Endara also said: "The greatness of the 1941 treaties transformed more than 100 years of disagreement into a future of unity and joint effort. The years that have passed show we are erecting a monument to peace and understanding, so necessary for the coexistence of men."

IDB Approves \$120 Million Credit for Reform

PA0505225492 Panama City Telemetro Television Network in Spanish 1730 GMT 5 May 92

[Text] The Inter-American Development Bank (IDB) has approved a \$120 million credit to support the public

sector's reform. That credit will be discussed by the IDB Executive Directorate in the near future. Thus, the IDB will restart the disbursements that were frozen during a period when activities between the bank and Panama were interrupted due to the country's overdue payments.

IDB President Enrique Iglesias reported that a technical cooperation agreement for \$12 million, which is related to the aforementioned operation, will also be sent to the IDB Executive Directorate for consideration within the next few days.

Argentina

Terrorists Begin Campaign of 'Economic Sabotage'

PY0305195692 Madrid EFE in Spanish 1533 GMT
1 May 92

[Text] Buenos Aires, 1 May (EFE)—The People's Revolutionary Organization (ORP), which has thus far remained virtually unknown in Argentina, claimed responsibility for a small bomb that went off at a bank in downtown Buenos Aires. The bomb caused damage but no injuries.

The blast disseminated hundreds of fliers in which the ORP announces that "a campaign of economic sabotage has started against bankers who are robbing the people."

The fliers, which also were anonymously delivered to local news agencies, add: "On the occasion of International Labor Day, this is our response to the government's policy of subservience and surrender to international financial organizations."

Police sources said that early this morning three people planted the bomb at the Argentine Bank of Credit. After abandoning a stolen taxi in which they were riding, the three men fled the area.

The ORP fliers bear the five-pointed red star that the now dissolved People's Revolutionary Army (ERP) guerrilla group used as its symbol in the 1970's.

Argentine unions did not organize any mass rally to celebrate International Labor Day, but communist and Trotskyite militants will stage a demonstration at Plaza de Mayo, across from Government House.

Unified General Confederation of Labor (CGT-U) leaders, the only confederation recognized by the government, met last night and criticized "the high social cost" of the drastic economic adjustment plan that is being implemented.

The union leaders demand a 32-percent salary increase to compensate for last year's inflation and reject the government's demand for "higher productivity" in order to give salary increases.

Antidrug Training for Police, Air Force Starts

PY0605021092 Buenos Aires BUENOS AIRES
HERALD in English 5 May 92 p 11

[Excerpt] (NA)—Drug Prevention Secretary Alberto Lestelle inaugurated a special anti-drug trafficking training course for provincial police forces and Air Force police officers yesterday during a ceremony at Border Guard headquarters.

Lestelle, who was accompanied by Interior Minister Jose Luis Manzano and Science Secretary Raul Matera, told reporters that drug trafficking and the illegal use of narcotics was increasing in Latin America.

The drug czar warned that the use of heroin was beginning to spread throughout the continent.

Lestelle praised the "efficient way in which Latin American security forces coordinate their anti-drug campaigns," and revealed that a total of ten clandestine home-made cocaine processing labs were dismantled by police authorities in Argentina during 1991.

He added that over 47 tons of cocaine leaves, 1.3 tons of ready-to-be-sold cocaine, 1.5 tons of marijuana and some 1,000 doses of LSD were confiscated in raids carried out by police and judicial authorities last year.

The secretary, who was elected as head of the XI International Conference Against Drug Abuse last Friday [1 May], reported that Argentine experts were training officials from Costa Rica and Guatemala on judicial and educational aspects of anti-drug campaigns. [passage omitted]

Split in Left Evident at May Day Rallies

PY0305225092 Buenos Aires BUENOS AIRES
HERALD in English 2 May 92 p 11

[Excerpt] (NA-DYN)—The growing split among the nation's various left-wing parties was in evidence yesterday, when two separate rallies were held to mark Labour Day in the federal capital, during one of which Movement Towards Socialism (MAS) Deputy Luis Zamora was driven from the podium for criticising the government of Cuban leader Fidel Castro.

The Plaza de Mayo was the scene of a ceremony attended by between 3,500 and 5,000 supporters of Zamora and MAS provincial Deputy Silvia Diaz, Communist and Workers Party militants, railwaymen, bank clerks, telephone workers and printers as well as pensioners. The event was the smallest of the three held there since 1990.

Meanwhile, MAS central committee organized an observance in Plaza Once which drew some 500 to 2,000 listeners including representatives of leftist parties from throughout Latin America.

While the leaders of both rallies blasted the "hunger and poverty plan of (President Carlos) Menem, (Economy Minister Domingo) Cavallo, (United States Ambassador Terence) Todman" and condemned the "union bureaucracy of the CGT [General Confederation of Labor]," whom they accused of being accomplices in the government's current policy, they often clashed on other issues.

Zamora, who along with Diaz was criticized by those at the Plaza Once gathering for "abandoning the revolutionary principles of MAS," was forced to curtail his speech after he stated his "opposition to the regime and the government of Fidel Castro" while reiterating his unconditional support for the people of Cuba. Members of the Communist Party pelted him with sticks, stones and, ironically Coca-Cola bottles, a symbol of United States imperialism for many workers. [passage omitted]

Bolivia

Foreign Minister Comments on Trip to Spain

PY0505211292 La Paz La Red Panamericana
in Spanish 0000 GMT 5 May 92

[Excerpts] Foreign Minister Ronald MacLean held a news conference this afternoon to give details of his recent official visit to Spain.

MacLean emphasized the meeting he held with Spanish King Juan Carlos de Bordon, President Felipe Gonzalez, and Foreign Minister Francisco Fernandez-Ordonez. MacLean stated that during the working meetings he held with Fernandez-Ordonez the issues discussed included the credits granted to Bolivia through the Development Assistance Fund and the Assistance and Equipment Fund. MacLean noted that Bolivia was able to use a high percentage of the credits [words indistinct] of about 83 percent.

MacLean also indicated that the loan of \$13 million for the cable railway in La Paz has not yet been disbursed and that the Spanish Government has a good predisposition to increase its financial cooperation for the construction of the railway, which will have a total cost of \$18 million. [passage omitted]

MacLean also disclosed that during the meeting with Spanish officials they studied the possibility of obtaining a Spanish credit of \$25 million for Bolivian private businesses. He added that the loan for private business has not yet been authorized due to various problems in the mechanism used by Bolivian banks. But MacLean pointed out that there are adequate mechanisms to channel the credit directly to private banks or through resources that can be used by Spanish businessmen for investments in Bolivia or to finance Bolivian exports to Spain. [passage omitted]

Agreement Signed With Chinese Delegation

PY0505210092 La Paz La Red Panamericana
in Spanish 0000 GMT 5 May 92

[Text] An act for the creation of the Bolivian-Chinese Congressional Friendship League was signed today in a special session headed by Antonio Ormachea, first vice president of the Chamber of Deputies, and Wang Hanbin, vice chairman of the NPC [National People's Congress] Standing Committee.

The objectives of the league include: strengthen friendship and relations between Bolivia and China; encourage contacts between Bolivian and Chinese congressmen; participate jointly in the struggle for peace, international security, and well-being of our people; seek a solution to the serious foreign debt problem; and struggle for the defense of democracy, human rights, and the eradication of drug trafficking.

In order to achieve these objectives the league will seek the following tasks: work jointly with the friendship

league [words indistinct]; carry out common studies [words indistinct] common interest between the two countries; promote the knowledge [words indistinct] of Bolivian politics and economy in the NPC, and [words indistinct] and support the Chinese cooperation programs for Bolivia [words indistinct]. These are the main points included in the act for the foundation of the league, which will go into full operation after it is approved by the NPC.

Delegation Meets Banzer

PY0605134092 La Paz Television Boliviana Network
in Spanish 0200 GMT 6 May 92

[Excerpt] As part of its agenda, the delegation of the NPC [National People's Congress] of the PRC and its official entourage visited Nationalist Democratic Action leader General Hugo Banzer Suarez and Foreign Minister Ronald MacLean. During the meeting with Banzer, the visitors exchanged views on political matters.

[Begin Banzer recording] You will probably wonder how two parties that have different ideologies can govern a country. We have done it in Bolivia and reaped good results. In 1985 we managed to reduce annual inflation from 25,000 percent to only 15 percent. [end recording] [passage omitted]

New Guerrilla Group Claims Attack in Cochabamba

PY0505124692 La Paz Radio Fides Network
in Spanish 1100 GMT 5 May 92

[Text] Another terrorist attack was perpetrated in Cochabamba. A bomb composed of dynamite blew up at the Cochabamba Telephone Cooperative facility on Panamericana Avenue. Leaflets were left announcing the existence of a new guerrilla group called Benjo Cruz. This information was confirmed by the departmental police commander. [recorded passage indistinct]

The police are investigating. Although the attack caused substantial damage, no victims were reported. The (?COMTECO) [expansion unknown] telephone facility was totally destroyed and a nearby house was damaged.

The police have noted that this guerrilla group may be a splinter group of the Tupaj Katari Guerrilla Army or of the Nestor Paz Zamora Guerrilla Army.

We reiterate, however, that the leaflets that were found at the site of the bombing bear the initials of a new guerrilla group known as the Colla [Bolivian highlands Indians] Benjo Cruz.

Brazil

Collor Defends Marques, Current Economic Policy

PY0505233692 Sao Paulo FOLHA DE SAO
PAULO in Portuguese 30 Apr 92 Section 1 p 4

[Text] Brasilia—President Fernando Collor yesterday defended Economy Minister Marcilio Marques Moreira

and said there will be no changes in the government's economic policy. In a speech at Itamaraty, Collor said the minister has his "unwavering and total" support.

Regarding criticisms made by Bahia Governor Antonio Carlos Magalhaes to the economy minister, Collor said in an interview that "everyone has the right to defend his interests." Magalhaes yesterday said that the economic team must be dismissed if inflation is not controlled "urgently."

"I am convinced that we are on the right track," Collor said in his speech delivered during the commencement ceremony of graduates from the Rio Branco Institute.

Marques Moreira did not participate in the ceremony because he is in Washington. According to Collor, talks between the minister and the private creditor banks have been "productive." He added that the IMF evaluation of the government program of goals is "extremely positive."

He attributed to speculators the rumors that provoked an increase in the dollar exchange rate and the drop in the stock exchange this week. "Who is profiting from it? Speculators, for sure. Economic agents that emerged from one moment of absolute euphoria to an unjustifiable concern," Collor said.

The president again asked Congress to approve the fiscal adjustment project, which the government considers essential for the success of the economic policy. On the minimum salary readjustment project, Collor said: "Let us vote for it."

Policy Viewed Ineffective

PY0505175492 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Apr 92 Section 1 p 5

[By Regina Alvarez]

[Text] Advisers to Economy Minister Marcilio Marques Moreira are already admitting that the government strategy to defeat inflation is losing effectiveness. Marques' staff has quietly admitted that the policy of a tight monetary supply is no longer effective and that the government—in the short term—does not have another efficient instrument to combat inflation.

The team has officially said that the present policy—based on high interest rates and reduced spending—will be maintained. The team said during working meetings, however, that the government has done all it can. In the experts' opinion, the future of the economy is now in the hands of Congress which will have to approve a broad fiscal adjustment program.

Economy Ministry advisers do not see any other solution than an additional set of taxes to prevent a deficit in public accounts. The Constitution establishes a series of barriers to the creation of new taxes and their collection

during the same year. The government has even considered a constitutional amendment to overcome those barriers.

The main purpose of the fiscal reform project and the possible emergency constitutional reform is to obtain more money to balance public finances. Marques's team complains that the government has yielded to some political pressures even when the coffers are empty.

The Planalto Palace has given priority to certain spending that goes against the order not to spend. The Brasilia subway is an example of a job that can wait, according to advisers to the economy minister and Health Minister Adib Jatene who is struggling for more funds for his projects.

The National Monetary Council (CMN) today noted the vote allowing the Rio de Janeiro Government to obtain a BNDES [National Bank for Economic and Social Development] loan to finish the second stage of the Red Line [Rio overpass highway]. This job is estimated at \$206 million. The vote makes an exception to Central Bank resolution 1718 regulating states' indebtedness.

The economic team has also criticized the judicial branch for issuing a torrent of regulations against the collections of federal taxes such as the Finsocial [Social Investment Fund], thus risking National Treasury's collection goals.

The drop in tax collection revenue is preventing the implementation of basic government programs and threatens the fulfillment of goals established with the IMF. Tax collection revenues during the first quarter barely totalled 10.4 trillion cruzeiros, that is, a 14.4 percent real drop compared to a similar period in 1991. The economic team expects the level of tax collection revenues to increase in April, but it cannot predict if the new level will be satisfactory.

IMF Agreement Condemned

PY0405130092 Rio de Janeiro O GLOBO in Portuguese 3 May 92 p 11

[Text] Indaiatuba, Sao Paulo—The Brazilian bishops yesterday repeated their criticisms of the national economic policy. The main target this time was the IMF and the conditions it has imposed on the foreign debt renegotiation. The bishops demand the mobilization of the people against the government's economic program that has been tailored to meet IMF demands.

The Brazilian bishops position at the 30th National Conference of Brazilian Bishops (CNBB) was made official late in the afternoon through the publication of a new nine-page document entitled: "Agreement With the IMF: Adjustment Without Democracy." In that document, the bishops state that the IMF's program is based on mistaken beliefs on the performance of the economy. The bishops state that one of these mistakes is the belief that economic growth will help social progress.

The bishops state: "This government action could be prevented through the organization and mobilization of society, affirming its power to control the government and the entire state."

Newspaper Discovers Budget 'Irregularities'

PY0105185292

[Editorial Report] Rio de Janeiro O GLOBO in Portuguese on page 3 of its 29 April issue carries a 550-word article by Rudolfo Lago and Denise Rothenburg on a comparison made by O GLOBO between the budget amendments approved by Congress and the text of the budget speech delivered by Social Action Minister Ricardo Fiuza to President Collor, who approved it without any changes. The newspaper states that the Social Action Ministry administers a budget of 25,624,368,000 cruzeiros, which is larger than that approved by Congress. The article notes that a group of congressmen introduced this amount after the draft bill on the budget was approved by the budget commission on 17 December, and by Congress on 19 December. The comparison revealed that "65 amendments were made in the budget allocated to the Social Action Ministry without analysis by Congress." The funds resulting from the 65 amendments amounted to 25.6 billion cruzeiros, which were allocated to the Social Action Ministry budget.

O GLOBO reports that "irregularities were also detected in the budget of the Regional Development Secretariat," where a total of 39,663,200,000 cruzeiros were transferred to the National Highway Department, DNER. The transfer of DNER resources occurred during the final approval of the budget in Congress and its endorsement by the president. Some names of those who often have been charged with taking budgetary privileges are included in the list of those who managed to approve resources before analysis by the commission and Congress.

Chile

Minister on Argentine Fighter Plane Purchase

PY0505142492 Santiago Radio Cooperativa
Network in Spanish 2300 GMT 4 May 92

[Text] Defense Minister Patricio Rojas has said that Chile will maintain its dissuasive capacity while respecting the regional military balance. The remark was prompted by a question on reports saying that Argentina will purchase 40 Skyhawk fighter planes. Rojas said Argentine officials told him that they are negotiating with the United States the replacement of war materiel lost during the Malvinas war. He said:

[Begin recording] Chile will maintain its dissuasive and defensive capacity within its customary parameters of efficiency and strength. We will maintain our highly professional standard. We will not reduce our capacity. We will also respect—as long as we do not perceive any

contradictory trends—the need to maintain the regional military balance, at least in our subregion. [end recording]

Rojas also announced that Chile is negotiating the renewal of ground, air, and naval materiel with four countries. He added that he will soon have more news on certain agreements that are being negotiated with the United States next month. He identified the other countries with which Chile is negotiating as England, France, and Spain. The defense minister concluded by saying no one in the region wants an arms race.

Border Talks With Bolivia Called 'Satisfactory'

PY0105133292 Santiago Radio Chilena Network
in Spanish 1700 GMT 30 Apr 92

[Text] Acting Foreign Minister Edmundo Vargas called satisfactory and outstanding the results of the negotiations carried out in La Paz during the 19th meeting of the Bolivian-Chilean Border Committee. Important agreements were reached on that occasion on three border problems dealing with the (Sichichica), El Capitan hill, and the so-called (Mojon de Cicalla) sectors.

[Begin recording] I think the results of the negotiations are very satisfactory. As a La Paz journalist said, there were no winners or losers. I would say there was a victory in La Paz resulting from an understanding between two nations which have so much in common and which share the same Latin American line.

I believe that the task performed by the committee has been really very important. I want to take the opportunity to congratulate Ambassador Javier Illanes, borders and limits national director, who headed the Chilean delegation to this important meeting. [end recording]

Vargas said that nobody lost or won territory during the negotiations, but that the 1904 treaty was technically implemented.

Illanes said that these agreements will contribute to eliminate the threat of border incidents between Chile and Bolivia. He said that the results of the negotiations favor the two parties.

Foreign Minister Returns From Caribbean Tour

PY0305024892 Santiago Television Nacional
de Chile Imagen Internacional in Spanish 0000 GMT
3 May 92

[Text] Chilean Foreign Minister Enrique Silva Cimma returned to Santiago tonight and described his tour of four Caribbean countries as very positive.

[Begin recording] [Unidentified reporter] Minister Silva Cimma left the plane that brought him to Santiago at 1850 local time and went to the airport's VIP hall. He then spoke to the news media about his trip to Jamaica, Antigua and Barbuda, Grenada, and Trinidad and Tobago. He was asked whether these countries pledged

their support to Chile in the event that Bolivia seeks a vote favorable to its sea outlet claim at the OAS meeting scheduled to take place in Santiago in June. Was the subject discussed, Mr. Minister?

[Silva] No. We broached the subjects included in our official agenda for each of the foreign ministries that we visited. These issues had to do with our political, economic, and tourist relations and international cooperation.

[Reporter] The foreign minister was also asked about the debate on the economic cooperation agreements with Argentina that cropped up while he was away.

[Silva] I believe my Argentine counterpart, Guido Di Tella, has already straightened matters out by stating that it is not a question of engaging in an exchange of accusations and restrictions. The agreements have their own value and meaning. We will abide by these agreements, and I believe the Argentines will do the same. [end recording]

Pinochet Leaves Hospital, Ordered To Rest

PY0605014092 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 6 May 92

[Excerpts] General Augusto Pinochet, who was hospitalized after showing symptoms of arrhythmia, was released from the hospital today at noon after undergoing exhaustive medical tests.

[Begin recording] [Reporter Alejandro Machuca] Gen. Pinochet was hospitalized for around 14 hours. [passage omitted]

Gen. Pinochet left the hospital at 1330 this afternoon. He looked well from afar. The 76-year-old Army commander, who does not have a history of heart problems, went to his house where, under doctor's orders, he will rest for two days.

It has been reported that no one will be appointed acting Army commander during his absence. [end recording]

Civilian-Military 'Confrontations' Denied

PY0505211692 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 5 May 92

[Excerpts] Interior Minister Enrique Krauss has denied the existence of discrepancies and confrontations between the government and the Armed Forces. This morning Krauss opened a coordinating meeting between intendants, governors, and Armed Forces representatives at La Moneda Palace to look at the upcoming municipal elections. This is the first time the three groups have met. Minister Krauss talked about the groups' roles and responsibilities on election day. [passage omitted]

[Begin Krauss recording] In my opinion, this meeting is a tacit and strong rebuttal to those who attempt to disseminate rumors on discrepancies and confrontations between the government and the armed institutions. These people aspire to project the image of a breach between Chileans who, from their own perspectives and their respective daily responsibilities, are cooperating together in the effort to build a country for everyone. [end recording]

Colombia

Peace Talks Reportedly To Resume by 31 Oct

PA0605040992 Mexico City NOTIMEX in Spanish 2139 GMT 5 May 92

[Text] La Trinidad, 5 May (NOTIMEX)—The Simon Bolivar National Guerrilla Coordinating Board (CNGSB) and the government of Colombian President Cesar Gaviria will resume their fourth round of talks by 31 October 1992 at the latest, it was learned here on 5 May.

According to a joint communique released at the La Trinidad beach resort in the central state of Tlaxcala, the government mission headed by Presidential Adviser Horacio Serpa Uribe and the guerrilla delegation headed by Alfonso Cano expressed their wish that the talks be held in Mexico.

The document added that both delegations will maintain direct contacts, with the purpose of establishing the conditions for the resumption of the peace dialogue and continuation of the process.

The Colombian Government reiterated "guarantees for the security of the CNGSB delegation, which comprises representatives of the Revolutionary Armed Forces of Colombia (FARC), the Army of National Liberation (ELN), and the Popular Liberation Army (EPL). The security guarantees will be similar to those which prevailed on previous occasions."

The Colombian Government and guerrillas expressed their recognition and gratitude to the Mexican Government and people for permitting the country to be the scenario for the peace talks.

They also expressed their appreciation to Mexican Ambassador Sergio Romero Cuevas, who participated as observer in this last agreement on the recess in the talks.

Communications Minister Resigns Over Strike

PA0505182992 Santa Fe de Bogota Inravisión Television Cadena 1 in Spanish 1642 GMT 5 May 92

[Text] The latest news is that at this very moment Communications Minister Mauricio Vargas is submitting his resignation to President Cesar Gaviria. This resignation is expected to spark a small crisis in the cabinet.

We understand that President Cesar Gaviria has accepted the resignation. This is perceived as resulting from the handling of the Telecom [Colombian Telecommunications Enterprise] strike that caused so many problems for the country. Vargas' replacement is expected to be announced in the next few hours.

Attention! We have a last minute report: Mauricio Vargas, who resigned as communications minister a few minutes ago, has just disclosed the text of his resignation letter, which explains the reasons for his decision. In the letter, he insists on the urgent need to privatize Telecom. He states that the country is being blackmailed by the Telecom workers union, and that he cannot permit such a situation.

More on Resignation

PA0605011892 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 2300 GMT 5 May 92

[Text] Communications Minister Mauricio Vargas Linares resigned on 5 May, and President Gaviria accepted his resignation. The Telecom [Colombian Telecommunications Enterprise] privatization law, the week-long strike at the institution, and the bases of the agreement that led to the end of the strike, hastened Vargas' decision.

In his resignation, Vargas steadfastly defended his draft bill, which he said modernizes, regionalizes, and opens telecommunications to private investors—especially the telephone system that at present is monopolized by Telecom.

The strike and its consequences are, in Vargas' opinion, the foundation upon which to defend the privatization of the country's telephone service. He admitted the strike wore him down and finally toppled him, and he resigned because his strong position will not change in response to the situation. Thus, the text of his resignation said that the events of the past week had caused him to expend a great deal of personal energy. He said he was convinced that the battle to make these initiatives succeed must continue, and he believed that, to achieve these goals, it is vitally important for the Communications Ministry to be headed by an individual who will assume the duties of the office with renewed vigor. He said it is a type of relay race in which each individual does his share of the work.

After insisting that he stay on, and seeing that he could not convince him, President Gaviria had no other alternative but to accept Vargas' resignation. Vargas had served five months at the ministry. In his response to the resignation, Gaviria insisted that the telecommunications law suggested by Vargas must continue to be debated. Gaviria said: There is no doubt in my mind that the debate the Vargas efforts of the past few months have prompted will make Colombia seek increased efficiency in the telecommunications sector, through competition, the private sector's participation, and modernization.

Agriculture, Livestock Sector May Stage Strike

PA0505230492 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1630 GMT 5 May 92

[Report by Marcela Duran]

[Text] The country's agriculture and livestock sector is on the verge of bankruptcy. According to representatives from 40 organizations, the lack of government support is forcing them to declare an indefinite strike in that sector. For the first time in the country's history all agricultural and livestock activities are experiencing a crisis. Cotton and cocoa producers, cattlemen, and particularly grain producers are facing their worst times.

The organizations contend that the government's economic policy is flawed. They are unable to obtain credits because the Agrarian Fund is also experiencing a crisis. They must compete with imported products, which are sold at lower prices. IDEMA [Agricultural-Livestock Marketing Institute], which in the past supported the sector, has frozen its prices. Here is Adrian Quintana, of the Association of Grain Producers:

[Begin Quintana recording] I will give you a picture of what the strike could be like. We will probably have problems on the roads; we will have problems with the transportation of food to the capital and consumer centers because farmers have said that during the strike they will not sell food and it is possible that transporters will join the strike. Therefore, we believe the consequences could be very serious due to the lack of government attention in the past few years. [end recording]

Soybean producers are facing the most critical situation: 80,000 hectares were grown three years ago, but only 20,000 were grown this year. With the Andean Pact integration, soybean has arrived from Bolivia at lower prices, because the Bolivian Government subsidizes this product and is exempt from taxes in Colombia.

[Begin Quintana recording] Our organizations have seen the agriculture minister behave very indifferently toward our problems. He has not committed himself or been our spokesman. [end recording]

The date for the strike, which could leave the country without agricultural products, will be determined this week.

Navarro Wolff on Relations With Government

PA0205022092 Santa Fe de Bogota Emisoras
Caracol Network in Spanish 1200 GMT 1 May 92

[Telephone interview with Antonio Navarro Wolff, president of the 19 April Movement Democratic Alliance, AD/M-19, by unidentified reporters; place and date not given—recorded]

[Text] [Reporter] Good morning, Mr. Navarro Wolff.

[Navarro] Good morning. How are you?

[Reporter] Very well, thank you. It has been taken for granted in political circles that the 19 April Movement Democratic Alliance [AD/M-19] initiated an opposition campaign against the government, mainly because of the economic opening policy, privatization, and the peace process, which are the three (?aspects) that apparently set the government's actions wide apart from AD/M-19's views. Is it true there is opposition to these measures?

[Navarro] In writing and also in a meeting with the president two days ago, we presented our disagreement with the government's policy, particularly the economic policy and its tax reform proposal, the handling of the peace efforts, and the government's privatization process the labor minister has discussed. AD/M-19 does not agree with the way the government is acting in these three areas. We have made this very clear to the president and the country.

[Reporter] Why then do you stay in the government, Mr. Navarro?

[Navarro] Let us see. I think politics in Colombia are very special. Colombians want national governments. It is a constant in public opinion to want governments formed by the country's main political forces. These national governments make it possible to think independently about relevant topics of Colombian politics. That can be maintained. I think...

[Reporter, interrupting] Excuse me, Mr. Navarro. You said it is possible to maintain more or less consistent criteria on subjects of national importance. Yet you disagree on these subjects.

[Navarro] There is no economic opening and no true state administrative policy. Right? If it is possible to maintain different views regarding such subjects with the assistance of a minister, fine. For us, a health minister, for instance, is not essential. The essential thing for us is our stand on national problems. Colombian politics are a very strange thing. In other countries, a different procedure is followed. The truth is that governments here are made up of the largest political groups. We maintain our stand on the subjects we have mentioned, clearly differentiated from that of the government. We will continue to do so.

[Reporter] Mr. Navarro, regarding more fundamental issues, as Alvaro Gomez Hurtado would say, the AD/M-19 continues to participate in the government.

[Navarro] We agree on two important points. One of them is constitutional development. To a great extent, the Constitution is still in its first stage, that of the 1991 Constitution, because the Congress, which has the responsibility to legally develop the Constitution, started to work only recently. We concur with the government on many aspects of this constitutional development. In addition, we basically concur with President Cesar Gaviria's international policy. Of course, we also agree with the specific policy concerning which areas are the government's responsibility.

[Reporter] You presented these points to President Gaviria during a meeting this week. What did the president reply? Rather, what impression did you get of the president's opinion? Will the AD/M-19 continue to participate in the government, or will the government ask your organization to withdraw?

[Navarro] We have no information so far on the president's opinion on this point. I think the discussion was sincere, cool, and extensive. We told the president that our congressmen would not vote for retroactive taxes or privatization of public enterprises such as Telecom [Colombian Telecommunications Enterprise]. This was not going to be a debate on how the state should be modernized. We believe that modernizing the state is equivalent to continuing to combat patronage and corruption. The state is rendered more inefficient, not by some public enterprises, but by the way politics is done in the country. The state is fragmented and put at the service of political groups. State resources often reinforce political groups instead of benefiting the Colombian people.

[Reporter] LA PRENSA reported yesterday that the president laughed when you presented the AD/M-19's views. He gave you a small pat on the shoulder and said he would call you whenever he needed you again. Is that true?

[Navarro] No. LA PRENSA was not at the meeting, of course.

[Reporter] [Words indistinct] It was said that the most celebrated political affair in Colombia came to an end.

[Navarro] There was considerable frankness, as there should be.

[Reporter] Dr. Navarro, you have said that fighting corruption is equivalent to modernizing the government. With due respect, it is up to the government not to be corrupt. It is not a modernization problem.

[Navarro] Well, much of the criticism leveled at the Colombian Government is valid. Those who work for the Colombian Government are not moved by the desire for efficiency and productivity. They are more inclined to please their patrons. It is the irrational desire of the groups and persons within the government to profit from public funds. I agree with you. Inherently, the government should not be corrupt. Yet many of the government institutions are corrupt. I think great efforts are being made to turn the government into a leader of development, a balancer of the society, and a supporter of national purposes. This requires the eradication of corruption, the modernization of relations between state workers and the government.

The Constitution makes administrative careers mandatory in departments and municipalities by the end of the year. As far as I know, virtually no department or municipality has begun to prepare itself for participating in this program. Recommendation letters and money

taken from government employees will not guarantee jobs in the government. Organized public service will make the bureaucratic booty, which participation in the Colombian Government currently is, disappear. This is more important than selling two or three public enterprises, such as Telecom, a sale that is unjustified.

Paraguay

*** ANR Presidential Candidates' Platforms Viewed**
92SM0362A Asuncion ULTIMA HORA in Spanish
21, 28 Mar 92 pp 8-9, 10-11

[Report in two installments by Roberto Daniel Fleitas; first paragraphs are introduction]

[21 Mar pp 8-9]

[Text] Colorado Party voters will have a range of options in terms of candidates in the internal party elections for Governing Council officials. At this time, a dozen movements have expressed their intention to participate in these elections, and other factions may present candidates as well. In today's issue, three of the candidates for head of the party discuss their positions. In subsequent issues, we will present profiles of the other candidates taking part in these party elections.

Dr. Agustin Gonzalez Insfran

Dr. Agustin Gonzalez Insfran, a consensus candidate from the "orthodox" group and currently first vice president of the Governing Council, is the candidate supported by three Colorado Party factions: TA [Autonomous Traditionalism], led by Luis Maria Argana; Tradem [Democratic Traditionalism] of Blas Nino Riquelme; and UC [Unity and Concord], headed by the interior minister, General Orlando Machuca Vargas.

"First we will reorganize the party on democratic foundations, so that the ANR [National Republican Association (Colorado Party)] can play an active part in our national political process," Gonzalez Insfran began by saying, if this "traditionalist" alliance wins a majority in the elections, and consequently, the right to have the strongest say in the Colorado Party.

"TU [United Traditionalism] is committed to developing organizational and functional aspects of the new party bylaws, so that men, women, young people, union members, and rural and urban workers will channel their efforts and work within the framework of the partisan constitutional system to benefit their communities," he added.

"In the Governing Council we will work to bring about the effective unity of the Colorado Party through the active participation of all our members in party life, without discrimination in terms of the specific sectors to which these members belong," he stated.

TU will organize the focus and functions of the Governing Council so that the council will help party members and sectional members to achieve their personal and collective aspirations and also to keep the government informed of the party's proposals for the nation's economic and social development.

"My candidacy arose in response to a consensus of the party's largest traditionalist movements, represented by their leaders; therefore, the allegations about me being handpicked as a candidate by the top leadership bears no relation to the truth," he stated.

Concerning his movement's election campaign, he said: "We are offering to serve our fellow party members; in addition, our program respects the rights of other movements and candidacies in this democratic contest."

Dr. Angel Roberto Seifart

Now fully devoted to his party's political activity, Dr. Angel Roberto Seifart, a candidate for Colorado Party leader and head of the Renovation sector, had to leave United Traditionalism because of his personal convictions and aspirations.

"As an essential condition for taking back our party's sovereignty, we want to set up fair and transparent institutional mechanisms so that each member of the Colorado Party, no matter what his social and economic status, will have the right to take part in the election of party officials and have a voice in the orientation of the party's policies," he began.

As a supporter of the drafting of the new party bylaws that are now in effect, the Renovation spokesperson stated: "We will focus our greatest efforts on making the bylaws related to the participation of the peasant leadership in the Governing Council become a reality, in order to restore the original popular and peasant orientation of our party.

"Leaders of this movement who are selected for leadership positions in the future Governing Council will begin far-reaching efforts to reorganize the aims of the sectional divisions of the party, in order to convert them into true centers of civic development, particularly by training leaders and promoting regional development strategies," he stated.

"We want to establish relations with the international community, especially political parties and related organizations, in order to put an end to our party's isolation from the outside world," he added.

"TR [Renovating Traditionalism] pledges to participate sincerely and honestly in the effort to reconcile the interests of the Colorado Party's diverse movements and to bring about unity among the ANR movements, so that in 1993 we will be able to win through the choice of the sovereign will of the people, expressed freely at the ballot boxes," he explained.

"We are planning to design political action to support the Governing Council's work and to sponsor scholarships for young Colorado Party members who show promise in scientific and/or professional fields," he concluded.

Dr. Waldino Ramon Lovera

Dr. Waldino Ramon Lovera of Mopoco [Colorado Popular Movement], who is viewed by many as the candidate of "honesty" and of "unquestionable" moral integrity, shares the views of the "peasant thesis" supported by the Colorado Party's Constituent Convention.

"Mopoco encourages decentralization because it is in the national interest to bring about an authentic development of the nation's interior, because a modern state certainly requires decentralized institutions at all levels," he argued.

Since the start of Lovera's candidacy under the slogan of "Moral Strength for Change," Mopoco has encouraged the ideal of the "Great Colorado Civic Program." "As the ANR's guiding principle, this program advocates the recognition of popular sovereignty and the consequent strengthening of civilian authority within a participative, pluralist, and egalitarian democracy," explained the candidate for head of the Governing Council.

"I pledge to rescue the party from its erroneous course and to free it from its captivity, so that it may become a useful institution and an advocate for Paraguayan democracy," stated the national senator.

Mopoco promises to "revitalize" the party's organization and structure and to redefine the party's role in terms of government, so that the ANR will be able to win back its leadership in formulating the government's general policies (on economic and social issues).

"We want to reform the party administration; to implement internal civic-political leadership programs; to restore the party's ethical and ideological content; to redefine the structure and functions of the party press so that it will work to support our education and civic and political training programs," added Lovera.

"We want to develop a program to train leaders; to stimulate participation by young people, women, and peasants in the party's leadership cadres; to promote the legislative articulation of the "lema" law, so that we can avoid fragmenting Colorado Party votes," he continued.

"We support internationalizing the Colorado Party, to bring it out of its isolation and renew contacts with leaders of democratic political parties throughout the American continent," he concluded.

[28 Mar pp 10-11]

[Text] The multiplicity of Colorado Party candidacies and platforms for the coming internal party elections to select new officials is at this time the hottest news topic in this 100-year-old political association. As part of the

process of giving our readers a broader view of the varied range of possibilities offered to the voters, in this issue we are expanding our coverage of the contending candidates. Below, three of them discuss their platforms.

Dr. Miguel Angel Gonzalez Casabianca

Dr. Miguel Angel Gonzales Casabianca, running for Codem [Democratic Coloradism] represents—as does Mopoco—the men who fought either directly or indirectly from exile against the authoritarianism and corruption of Alfredo Stroessner's government.

The current representative assigned to the presidency of the Republic said Codem believes "it is essential to give the Colorado Party a research institute, a think tank, that will train leaders capable of guiding our party's leadership organizations."

Acting through its representative, Codem will seek to go beyond the phase of "volunteer leaders" and will strive to raise the professional level of the party's leadership, given the growing demands of the society in which the party and its leaders are called upon to act.

Codem supports the ideal that Coloradism should demand that its leadership ranks be opened by welcoming large numbers of new people, particularly young people, both men and women, who will bring in fresh air, renewed idealism, and greater dynamism and sensitivity to the Colorado Party; this will turn around the image of political aging that is conveyed by a large part of the party's present leadership.

"The party urgently needs to break its ties with the past, to shed the burden of the dictatorial ideology that has marked its history for almost three decades. It must make this break clearly, so that the Colorado Party may project a new image that reflects its recovery of the ethical values and republican principles that presided at the birth of this party," he explained.

While it is not official, this movement, along with TR [Renovating Traditionalism], led by Angel Roberto Seifart, is promoting the creation of a "democratic multi-sector group" to exercise—on a national level—strict control of the ballot boxes, vote counts, and procedures in these elections of party officials.

Colorado Peasant Coordinating Group

Although the CCC [Colorado Peasant Coordinating Group] has not yet selected its candidate for president of the Governing Council, this internal group, which is made up of grassroots leaders and municipal officials from the interior of Paraguay, has released a list of 10 potential nominees who might run as its candidate.

Juan Manuel Cano Melgarejo

Juan Manuel Cano Melgarejo, who is on this list of 10 "possibles," is a representative of the "peasant option," which advocates the administrative decentralization of the nation and resistance to the selection of internal

party candidates in closed-door sessions, views that are supported by political leaders from the interior of Paraguay.

According to this doctor-politician, if the Peasant Coordinating Group reaches a position of power within the ANR [National Republican Association (Colorado Party)], it pledges "to promote the well-being of the peasants by transforming the rural environment to improve their quality of life and give them access to material and spiritual resources."

Another of his proposals is to "promote a just distribution of wealth, while favoring the producer, the peasant. Eliminating acute social problems and strengthening the democratic process depends on the peasants' economic well-being."

He explained that "in all its partisan activities, the CCC wants to give priority to ethics, openness, and the urgent need to straighten up the party, giving the peasant majority what they are entitled to."

With regard to the excessive centralism in the capital, where for decades all the nation's problems have been handled and resolved, Cano Melgarejo said that, for example, even to move a pole or to get a loan from the BNF [National Development Bank], one must first go through the capital. "The problems incurred by delays will be resolved when authorities in the interior have more autonomy. These needs will be lessened when the problems of the interior have been resolved," he maintained, speaking of the republic's administrative decentralization.

Juan Bautista Ibanez (San Pedro), Lorenzo Zacarias (Encarnacion), Guillermo Campuzano (Ciudad del Este), Sisinio Vera (Eusebio Ayala), Emilio Pallarolas (Ita), Roque Bataglia (Luque), Nelida Yegros, German Segovia, and Francisco Alvarenga (Central Department) are the other potential nominees from the Peasant Coordinating Group. These names will be considered by the interior leaders in a miniconvention—a straw vote—that may be held in Caaguazu or Coronel Oviedo in early April.

Dr. Persio da Silva

Dr. Persio da Silva, the GI [Intermediate Generation] candidate, has proposed to his fellow party members that they adopt measures to normalize and democratize the party's internal life and that they apply mechanisms to develop clean and transparent electoral procedures, in order to give a greater leadership role to young people and women.

This leader, who has served as a congressional deputy, added that the GI will seek to redefine the political role the Colorado Party will play in the national political scene.

Even though his movement supports administrative decentralization, he said: "We can not create independent principalities with powers that may risk the principle of a united republic."

The Colorado Party and the government need to turn their attention toward the economic development of the producers, of the peasants, and pay attention to the nation's social problems, so that a structural solution may be found for the people's problems, he said.

"To improve the peasants' living conditions, we propose creating investment funds to pay for new, agriculturally oriented population settlements in the interior of the nation, providing roads, health centers, schools, etc.," he said.

Peru

President Fujimori on Struggle Against Terrorism

PA0605050292 Lima Radio and Television Networks in Spanish 0300 GMT 6 May 92

["Message to the Nation" by President Alberto Fujimori from the Government Palace in Lima—live]

[Text] I address you tonight to discuss a topic of great importance for each and every Peruvian. I think it is time to leave behind the Byzantine discussions and all those topics which do not have any more importance than [word indistinct]. In the past few days, an effort has been made to respond to the voice of the people by exaggerating interests in artificial problems. This is very disloyal to the people; it is an attempt to make them lose their perspective of the problems that are really significant and vital to the country. We all know which problems really led to the historical decision of 5 April 1992.

Together with hyperinflation, corruption, the crisis of authority, and drug trafficking, the government also inherited terrorist violence and its consequences. No less than 22,000 lives have been lost and there has been over \$20 billion in material damage. My government wants to effectively tackle the struggle against terrorism. Therefore, it has defined the role of the Armed Forces and its relationship to the people. In this regard, we will continue to emphasize, this time with more determination, the joint work and cooperation among both in the struggle against terrorism.

This does not mean in any way that we seek, as has been mistakenly or ill-intentionally stated, to militarize the peace process. It will always be understood as an action and program of society as a whole, because on the whole it is society that is attacked.

We must all realize that in this country there are 22 million people who have human rights and are threatened every day by the criminal action of terrorism. For Peruvians, terrorism is our principal problem. What we want is a country without violence. We want a climate of

security and tranquillity for human beings and for the country's socioeconomic development.

We will take up the process of depenalization again. This will permit us to have a more realistic, humane, and efficient prison system. We will hold extraordinary public hearings to release those persons who have served time in prison longer than the sentence requested by the prosecutor. All those innovations to expedite justice in cases of terrorism will be similar to those applied in developed countries, which have also suffered from this plague.

If in those countries, where there are advanced political cultures and solid democracies—many of them the seats of organizations which defend human rights—severe penalties are applied against terrorism, why can we not apply similar legislation in Peru, which suffers from this homicidal craze like no other country?

I cannot deny that I have received many requests and suggestions from various groups within the population. These groups have requested that—in the belief that the crime of terrorism should be penalized in a drastic manner—the death penalty be considered for leaders and members of the so-called annihilation squads, which have committed so many unspeakable crimes.

Therefore, the government—with the approval of the Council of Ministers—has issued a law decree which establishes new laws to sanction crimes of terrorism; procedures to investigate crimes of terrorism; and the security measures that society will dutifully provide for the magistrates, members of the Attorney General's Office, police forces, and justice department personnel who may be involved in the criminal processes.

The crime of terrorism, which we are broadening and modifying through this law decree—not only in its doctrinal concept but also in the procedures to expedite the trials and provide guarantees for the judges—conforms a *sui generis* situation that must be faced with pragmatism in light of the serious damage it has caused the Peruvian people for over 10 years.

It is true that the law decree that will be published tomorrow radicalizes prison terms by establishing the life sentence and by significantly increasing other penalties for different forms of terrorism. Even so, it is also true that due to the irreparable damage caused by the attacks against government officials and property, it is necessary to carefully study the possibility of reestablishing the death penalty. To that effect we will request the opinions of the best treaty experts so they may guide us with regard to the advisability of reestablishing the maximum penalty, thereby studying all the implications that such a measure could involve.

We are aware of the fact that the Peruvian laws limit the application of the death penalty to treason to the fatherland in time of war. We are also aware that the American Convention on Human Rights of San Jose, Costa Rica,

establishes in sections three and four of Article 4 objections that should be weighed and which could stem from the Geneva Convention with regard to special status for prisoners of war—regarding their right to asylum, etc.—which the terrorists could then claim.

All these consequences could stem from such an important decision. It would be easy for us, responding to the feelings of the majority of the Peruvian people, to reject the San Jose Convention and reinstate the death penalty. However, prudence calls for a more in-depth study that may legally support the adoption of such significant measures.

With regard to the law decree that has been approved, I will not tire you by reading its contents. Therefore, I will only point out its main characteristics. As of now, all actions against the lives, bodies, health, liberty, and personal security of the people will have more severe penalties in order to protect the rest of the citizens who all have the right to live in peace. Therefore, the leaders, ideologists, or organizers on a national scale of the terrorist groups will deserve life sentences as I announced a few days ago.

The members of the organizations—the terrorists who directly participate in actions that cause the death of persons or destroy infrastructure for essential services to the population—will get jail sentences of no less than 30 years. Those who are involved in kidnappings or who appropriate goods for terrorist purposes will get 25 years. Those who force minors to participate in terrorist activities will also deserve this penalty.

The identity of the magistrates will be secret. In a few weeks, oral hearings will be held at the different penitentiaries and under proper conditions so the justice department's personnel cannot be identified, visually or by voice, by the persons on trial or by their defense lawyers.

The citizen who denounces terrorists will have the full protection of the state. It is necessary to point out that this war against terrorism will be more effective and shorter if the population—as I hope it does—participates by anonymously or secretly denounces terrorists. In addition, however, to the drastic measures that society must punish those who seek to destroy it, it must also pardon those terrorists who repent, as long as they have had a minor participation within their organizations.

In addition, a law decree will be issued in the next few days. This decree will increase the penalties for corruption by magistrates when the culprit is a lawyer. The government's decision to fight against corruption, through the application of Article 2 of law decree number 25418 of the code of law, could not be properly applied unless the magistrates of the superior court and of the two courts of Lima and Callao were dismissed. This procedure will be extended to the entire Republic.

Not only the magistrates who accept bribes must be punished, but also the lawyers who act as agents of

corruption and who have been proven to have contributed to the moral deterioration of the administration of justice. Consequently, the penalties stipulated by Article 398 of the Criminal Code will be made stiffer. This article defines the crime of magistrates' corruption. It spells out the increased penalties for lawyers, which include the suspension of their licenses, the cancellation of their membership in the lawyers' bar in the appropriate judicial districts, and the cancellation of their professional certificates. These are issued by universities in the country's name. The result is that these lawyers cannot practice their profession.

This governmental decision is part of the moralization process it has called. It is because, in Lima for instance, only two lawyers out of 17,000 have been given stiff penalties over the past 20 years with expulsion from the bar.

Finally, this general moralization process in the administration of justice would not be complete if we do not urge the population to report undue collections by magistrates and lawyers who, under the pretense of announcing favorable decisions, might attack the lofty majesty of justice. The people must report corrupt officials to the proper authorities. This will make those little signs hanging in front of some offices, which remind the people of their rights, worthwhile and not just another mockery.

Little by little, firmly, we will reinforce the state's and society's stand regarding terrorist violence. This will be achieved with the support of the Armed Forces and the National Police, and also with legislation that stiffly penalizes terrorists.

Our first main objective is to pacify the country because peace, justice, and liberty is what 22 million Peruvians demand to continue the task of reconstructing Peru and to lay the foundations for a new society. Thank you and good night.

OAS Mission Meets San Roman, Military Command

*PA0505144192 Lima Global de Television Network
in Spanish 0100 GMT 5 May 92*

[Text] The OAS delegation now in Peru, headed by [Uruguayan] Foreign Minister Hector Gros Espiell, met on 4 May with Maximo San Roman and members of the Armed Forces Joint Command.

San Roman proceeded to explain the extent of his agenda for a prompt return to a democratic system. The Armed Forces Joint Command members explained their institution's efforts to control terrorism in Peru.

The OAS mission arrived at Senator Maximo San Roman's home at approximately 1650. The mission is headed by Uruguayan Foreign Minister Hector Gros Espiell. Its other members include OAS Secretary General Joao Baena Soares, Paraguayan Foreign Minister Alexis Frutos, Honduran Foreign Minister Mario Carias,

and Deputy Foreign Minister Stanley Gooch and Fernando Pestrella from Canada and Argentina, respectively. The OAS mission had the opportunity to talk with the self-proclaimed constitutional president for nearly one hour in complete privacy.

It was later learned that San Roman explained his agenda for a prompt return to a constitutional government. One hour later the delegation left Mr. San Roman's residence.

In a brief interview, Foreign Minister Gros Espiell stated that he had perceived more optimism from those whom they had met.

[Begin recording] [Gros Espiell] They have proceeded to detail all that has taken place since our last meeting through today. He gave us some very important documents which we plan we study very carefully.

[Reporter] What are the documents related to?

[Gros Espiell] The documents refer to the positions held by the different political sectors, issues that should be taken into account when considering the democratic reinstatement plan, and so forth.

[Reporter] In general terms, how would you describe the meeting?

[Gros Espiell] Very open, friendly, and positive. We are really looking forward to making progress.

[Reporter] Have you noticed any change with respect to Mr. San Roman's position as compared to before?

[Gros Espiell] All the persons with whom we have had the opportunity to meet have shown a lot of flexibility and openness. [end recording]

The OAS delegation then met with the Armed Forces Joint Command. They met for about one hour with the president of the Joint Command, and the commanders of the Peruvian Air Force, Army, and Navy. National Police Director Adolfo Cuba Escobedo was also present during the meeting.

The mission members were able to watch a video related to how the Shining Path and Tupac Amaru Revolutionary Movement guerrillas operate in Peru. In addition the mission was given an overview of the Joint Command's efforts to control terrorist activities in Peru.

Meets Politicians, Fujimori

*PA0605052192 Lima Global de Television Network
in Spanish 0100 GMT 6 May 92*

[Text] On its second day in Lima, the special OAS mission met with Peruvian President Alberto Fujimori. Earlier at the Sheraton Hotel it received leaders of political parties and independent groups. The mission discussed with them how Peru could return to constitutional order.

On its last day in Peru, the OAS mission, without previous planning, carried out a broad mediatory role to promote a dialogue between the parties and to somehow put the country on the road to democratic reconstruction.

At 0900, the OAS mission received at the Sheraton Hotel 21 representatives of the political parties and independent movements represented in Congress. This meeting lasted three hours. During the meeting, the former members of the Congress stated their proposal for a return to democracy. This proposal was first made known by the Andean Commission of Jurists and later backed by Maximo San Roman. This proposal calls for convoking a constituent assembly, the resignation of Alberto Fujimori and Maximo San Roman, and the self-dissolution of Congress.

[Begin American Revolutionary Popular Alliance leader Mercedes Cabanillas recording] As the Peruvian people know, the political parties are in favor of overcoming the political crisis produced by Mr. Fujimori's self-inflicted coup. The political alternative is the installation of a constituent assembly before which both Constitutional President Maximo San Roman and de facto President Fujimori, as well as the members of the legislative branch, should resign demonstrating an unselfish and responsible position. This would lead to the creation of a transitional government which, once institutional and constitutional reforms necessary for the good of the country are adopted, can support the holding of general elections to appoint the democratic authorities the country requires. [end recording]

[Begin former Senator Enrique Bernales recording] This second OAS mission does not have the objective of issuing an ultimate proposal because it does not have that power; it has not been authorized to do that. Its objective is to evaluate how the situation evolves and to determine if the parties are being flexible in trying to reach a solution.

At the OAS foreign ministers meeting in the Bahamas on 17 May a position will be adopted based on the reports resulting from the meetings and the visits the OAS mission has made in Peru. We trust we are backed by reason and that the democratic forces in Peru have better and more responsibly interpreted the need for flexibility to resolve our problems through dialogue. [end recording]

The commission left the hotel in the midst of a large number of reporters, more significant than the security deployment had expected. The members of the OAS mission headed for the Government Palace after agreeing to meet again with the political parties. At the Pizarro House, the mission was received by Foreign Minister Oscar de la Puente and President Fujimori, with whom the mission met for one hour. They discussed the proposal the OAS formally presented on 4 May and

the positions of the congressmen. The OAS also tried to determine how flexible the president is on these proposals.

The OAS commission returned to the hotel and then left for a private location after briefly speaking with reporters.

[Begin recording] [Reporter] How was the meeting with the president?

[Unidentified speaker] Very interesting.

[Reporter] What about the meeting with the politicians?

[Unidentified speaker] All the meetings were interesting.

[Reporter] Was there any agreement?

[Unidentified speaker] We are thinking. [end recording]

Minister Bolona To Continue Economic Program

*PA0605052092 Lima Global de Television Network
in Spanish 0100 GMT 6 May 92*

[Text] Peruvian Economy Minister Carlos Bolona affirmed on 5 May that the economic program will continue to be implemented and that inflation will be lowered to 2 percent by the end of 1992. He added that stiff penalties will be applied to tax evaders. In addition, Central Reserve Bank [BCR] president German Suarez underlined the bank's autonomy. He said that, henceforth, BCR and the Ministry of Economy will coordinate their work.

[Begin recording] [Bolona] This was the first formal meeting with the BCR president and his team after a number of arrangements were made. We assessed the events related to the economic program in the recent months and what is expected in the near future. The main aspect of our meetings is the decision to continue to implement the economic program. We seek to lower inflation, for which we must apply fiscal and monetary discipline. We are paying special attention to key prices, such as [words indistinct], which continue to undergo small periodical increases in accordance with the anticipated inflation. Inflation, which had reached between 3 and 4 percent and rose to 7.4 percent in March—mainly because of the application of tax measures—must be lowered to between 3 and 4 percent and gradually approach the planned level: 2 percent by the end of the year. Fiscal pressures will be strong, as they were last year, but we will have to deal with a good budget and revenue policy, cutting expenditures as necessary. As for rates in the public sector, they must be consistent with the expected inflation rate. This is the policy we are applying, within our estimated revenues and the tax administration. We intend to reinforce the tax administration. Now is the time to punish tax evasion. President Fujimori will announce specific measures in this regard. This is an outline of our economic policy. We will now listen to BCR president Suarez.

[Suarez] The BCR, the Economy Ministry, and the National Tax Superintendency have met to study what happened in the most recent month and the perspectives for the month of May. This is the first meeting [words indistinct] for close cooperation, which is essential for the success of the economic program. As the minister said, this program will continue. Its essential purpose is to reduce inflation through a healthy fiscal policy and an exchange rate that is consistent with the increase in international reserves. As for the monetary policy, the currency rate will vary with respect to inflation and the exchange rate, which we intend to increase gradually. [end recording]

Opposition Groups Seek Fujimori's Resignation

PA0505141292 Madrid EFE in Spanish 0302 GMT
5 May 92

[Text] Lima, 4 May (EFE)—On 4 May 13 Peruvian political groups stated that the resignation of President Alberto Fujimori "is the basis for the return to democracy" in Peru, and backed the OAS proposal to convene a constituent assembly.

In a public declaration signed by Liberal, Christian Democratic, Communist, Socialist, Populist, and Independent leaders, the parties indicated that "the development of a constituent assembly is incompatible with the continuation of the de facto government."

The declaration stated: "The break in constitutionality and the dictatorial concentration of power are the main causes of the political crisis. Therefore, the end of the de facto government is the basis for the return to democracy that will come about as a result of the creation of a constituent assembly."

Until now, the Peruvian political parties had been somewhat reluctant to accept the proposal to convene a constituent assembly that "constitutional" President Maximo San Roman had received from Hector Gros Espiell, the Uruguayan foreign minister. Gros Espiell made this proposal during the first visit to Peru by the OAS special mission in charge of promoting a return to democracy.

The parties believe that the constituent assembly is a "political solution" because the Peruvian Constitution does not take it into consideration. They had asked instead for a "constitutional alternative" that would necessarily imply reopening the dissolved Congress.

This new position suggests that the political parties for the first time accept the dissolution of Congress that was decreed by Fujimori with the support of the military following the institutional coup d'etat of 5 April.

The declaration states that "the establishment of a constituent assembly has full democratic guarantees for the free and unrestricted participation of all political and civilian groups, as well as for international supervision."

The document indicated that all political parties will restate these proposals during the meeting that will be held on 5 May with the second OAS mission that arrived in Peru on 3 May, which is also headed by OAS Secretary General Joao Baena Soares. The mission is composed of Gros Espiell, Honduran Foreign Minister Mario Carias, and Paraguayan Foreign Minister Alexis Frutos.

The Argentine and Canadian foreign ministers—the other two designated by the OAS—sent Fernando Pestrella, Argentine deputy foreign minister, and Stanley Gooch, the Canadian deputy secretary for Latin America, to represent them.

Ministry Issues Report on Felix Raucana Case

PY0505223092 Lima EXPRESO in Spanish
29 Apr 92 p A13

[Text] The following is the text of the official communiqué the Defense Ministry forwarded to our editorial room in the evening:

The Central National Security Zone Command has reported to this office that on 27 April, Armed Forces personnel who were on duty at the base in the Felix Raucana shantytown in this capital arrested two presumed terrorists, who were trying to enter the settlement to carry out sabotage and agitation activities among the inhabitants of said shantytown.

The arrested people were identified as Pedro Heredia Torres and Felix Condor Huaman. The latter had an arrest warrant issued against him for terrorist crimes.

The same day, at 2230, terrorist elements infiltrated the populace of that shantytown and incited the people to cause disturbances and attack the military base, throwing rocks and other hard objects at the personnel on duty, before being controlled and dispersed by the forces of order.

At 1200 on 28 April, approximately 300 townspeople led by infiltrated terrorists attacked that military base, disregarding the preventive actions adopted by the forces of order, thus prompting a confrontation that ended with two Army members and 10 civilians wounded, who were taken to the nearest hospitals. A civilian, Ernesto Romero, died later.

This office notes that the Central National Security Zone and the forces of order acted energetically to safeguard and maintain order and its physical integrity, strictly complying with the provisions of the current rules and measures on the use of weapons.

Lima, 28 April.

Yoshiyama Appointed to Foreign Debt Committee

PY0505223892 Lima EL PERUANO in Spanish
Legal Supplement 29 Apr 92 p 106599

[Summary] According to Supreme Resolution No. 054-92-EF, dated 28 April and signed by Economy and

Finance Minister Carlos Bolona Behr, engineer Jaime Yoshiyama Tanaka has been appointed vice president of the Foreign Debt Committee.

New Public Prosecutor Sworn In, Comments

PA0505171092 Lima Global de Television Network
in Spanish 0100 GMT 5 May 92

[Text] On the morning of 4 May, Manuel Catacora Gonzalez, supreme public prosecutor for civil matters, was installed as acting attorney general. In his new capacity, he swore in Blanca Nelida Colan Maguino as the new supreme public prosecutor for criminal matters. Magistrate Colan told the "Direct Line" newscast that she will handle cases filed at her office impartially. She pointed out that the executive branch has no influence on the Public Prosecutor's Office.

[Begin recording] [Reporter] A decree law ordering the removal of Dr. Hugo Denegri Cornejo as supreme public prosecutor on criminal matters, was published in EL PERUANO on 3 May. Several newspapers questioned Denegri's appointment to that top position in the past week.

Decree 25472 was also published. It appoints Blanca Nelida Colan Maguino as supreme criminal public prosecutor. She was installed on 4 May by Acting Solicitor General Manuel Catacora. Colan is the first woman to occupy this high post.

[Colan] First we will hold a meeting of public prosecutors. We will do whatever is decided. I do not act alone; we work as a team with the supreme prosecutors and we will take the necessary measures.

[Reporter] We must also wait until the new attorney general is appointed.

[Colan] Yes, and that does not depend on me.

[Reporter] What cases will you focus on and pursue right away?

[Colan] I have not yet assumed office. I was just sworn in; I will now assume office and take a look at the pending cases. I can tell you that I will give equal importance to all cases, because all cases deserve careful examination and expeditious handling.

[Reporter] That means you will not be influenced by the executive branch?

[Colan] The executive branch has no influence on me. I am completely autonomous. [end recording]

Labor Ministry Authorizes Suit of Labor Union

PA0605121292 Lima Radio Programas del Peru
Network in Spanish 1800 GMT 5 May 92

[Text] The Labor Ministry has authorized the Attorney General's Office to file suit against members of the

Trade Union of the Labor Ministry for having slandered top government officials and authorities.

A Labor Ministry resolution indicates that in spite of disciplinary measures that had been adopted prior to any administrative proceeding against the members of the trade union, on 27 and 28 April, the board of directors of the Trade Union of the Labor Ministry circulated two documents that contain phrases that insult government officials, the labor minister, and other Labor Ministry officials.

* Gonzalez Identifies Shining Path's Weaknesses

92WR0279Z Lima IDEELE in Spanish
Apr 92 pp 15-20

[Interview with Raul Gonzalez, sociologist at the Catholic University and researcher on the Shining Path, by unidentified reporter; place and date not given—first three paragraphs are IDEELE introduction]

[Text] Just a few weeks ago, Raul Gonzalez announced on a television program that he had to leave the country because his life was in danger. Shining Path's attacks on him were growing increasingly violent, he said, and the government had taken away the police protection it had granted him. A few days later, hours before boarding the plane that would take him into involuntary "exile," he agreed to this interview with us.

Gonzalez, a sociologist at the Catholic University, is undoubtedly one of the best known "Senderologists." His work as a journalist and social researcher has focused on trying to delve into the thinking and logic of Senderist behavior. He has even maintained a kind of ongoing debate with EL DIARIO, the organ of that organization. The extent to which he has steeped himself in this subject is very clear throughout this interview, in which his points of view are always well documented, but often very controversial as well.

The context in which the interview took place prompts us to voice our concern and our strong protest at the fact that a Peruvian is forced to leave his country because expressing his views places his life in danger. This is without a doubt a step backward for Peruvian democracy, just one more of the many ills that plague it.

[IDEELE] People who are interested in Shining Path are divided between those who have maintained that it is growing and advancing toward its objectives, and those—you, in particular—who have contended that regardless of its growth in certain areas, it was in a strategic trap. In light of what we have been witnessing in recent months, do you stand by that opinion?

[Gonzalez] The debate was misunderstood, because it was personalized and often distorted, for a variety of reasons. In substantive terms, we all agreed that Shining Path was growing; I think that no one denied that Shining Path is growing and that it is growing in Lima—to do otherwise would be to bury one's head in the sand.

The debate was about something else. I see Shining Path growing, but paradoxically, it is not advancing toward achieving its strategic objectives.

An armed group is measured according to how far it advances, or retreats, in relation to the objectives it set for itself when it began its insurrectionist adventure. If the group has set out to build a new social order in the countryside, the question is: Is it doing so? If they did not devise any kind of policy with regard to the armed forces, other than simply to confront them and defeat them through the actions of a people's guerrilla army, does that people's guerrilla army exist anywhere, or does it have enough strength to fight the system? The answer is no. Another paradoxical development is that it began growing more in the cities than in the countryside. This is very serious, because it does not bode well for its objectives.

[IDEELE] Why? What harm does it do to its objectives if Shining Path grows in the cities?

[Gonzalez] In the first place, because Shining Path is a group that is not a continuation of Maoism, but thinks of itself as a "fourth stage of Marxism," because Abimael Guzman is making "contributions." One of these contributions has to do with how the armed group is formed from the insurrectional movement. Thus, while everyone in the traditional left always assumed that it was formed by recruiting the so-called best "children of the people," who were given military training and sent to the areas that they thought would be the principal centers of combat, Guzman thinks differently. He maintains that this is "foquismo," which was proved to be a failure back in 1965.

He advocates, in contrast, that the "People's Guerrilla Army" [EGP] be established as a consequence of the work done in the countryside. In other words, they form people's committees, each of which has one person in charge of the military segment that will become the local column, then the local force, then the regional force, and finally, the main force. What this means is that they plan to militarize the entire society starting from the smallest nucleus, which is the people's committee. So the EGP would emerge from growth in the countryside. If, on the other hand, they grow in the city, there is an element missing in their strategy for seizing power.

[IDEELE] Let me see if I can sum up your idea correctly. You are saying, then, that since Shining Path is obviously growing in the cities, and given that Abimael Guzman's "contribution" was just the opposite, it could end up being, paradoxically, an element of weakness and regression for them.

[Gonzalez] Indeed. Because another thing that many people forget is that Shining Path is a Maoist group, and as such its conduct, its membership, and its internal behavior can be explained, at least in terms of the essential things, by Maoism. And in Maoism there are always two conflicting lines that must be the party's engine and that must demonstrate, externally, the

validity of their work. In the case of Shining Path, those who are proving the "correctness" of their line are, ironically, the minority who argued that the work in the cities was a top priority. Who argued that initially? Osman Morote, who was taken prisoner in 1988 after missing the first session of the Shining Path Congress, which was no coincidence.

[IDEELE] Yet it is reportedly Abimael Guzman himself who, through EL DIARIO, where his thinking clearly holds sway, is claiming credit for the work in the cities as a great political achievement. How can you explain this situation, in which he himself is supposedly championing a line of action that you think will lead to his defeat?

[Gonzalez] I have the impression that Guzman cannot deny it. It is a fact of life that the work that has given them a political presence in the last few years is their work in the cities. So that is where Guzman "invents," or pulls from under the table, a card that no one had foreseen. He says: The rural work is over in terms of building an alternative social order, so we are entering into a strategic balance, and we must prepare the insurrection, therefore, the work in the city has become the priority.

With this, Guzman wins in terms of internal correlation, but he loses in terms of ideology. But only he knows that, and that is why he is claiming credit for and appropriating the work of the minority, saying that they have moved up to a higher plane. From that moment on, they begin speaking of the strategic balance. But statistically, no one can say that the work is done in the countryside; only obtuse Maoists who have been blinded by Shining Path's discourse could believe that.

That is why I have always contended that this strategic balance does not exist. It is fiction with no basis in reality. Besides, they have not even been consistent with the way Shining Path measures its own actions. The decision to launch the guerrilla war is a milestone for the party; the development of the guerrilla war will be another milestone, and attaining the strategic balance should be yet another. They entered this latter stage in mid-1989, however, in the transition between one offensive and another. In other words, it was not even as significant as a milestone.

Moreover, I would say that Shining Path's internal documents, which come out every once in a while—you do not even need to have friends on the police force to get one, all you have to do is read what some newspapers publish—do not mention the strategic balance. It is only in the external documents that they speak of the strategic balance. So I would say that Guzman is losing and is betting on the impossible, which explains this new, more cruel, more murderous Shining Path, this Shining Path that has definitely ruled out becoming a political alternative, no matter how nonviable we always considered it, and that is now disoriented because its strategy is no longer clear.

So if Shining Path, by murdering Maria Elena Moyano, managed to intimidate the popular organizations that were carrying out similar activities, that murder also served to annihilate—to use their own terminology—their political project.

[IDEELE] In light of what you have said and with the risks involved in trying to be a prophet in this country, what logic do you think Shining Path's actions will follow in the coming months and what do you think might be the ultimate results?

[Gonzalez] Many people claim that Shining Path is very unpredictable, and a kind of myth has grown up in that regard.

But Shining Path is a very predictable group. What is more, I would say that IU [United Left], the PUM [Mariateguist Unified Party], and the MAS [Socialist Affirmation Movement] are much more unpredictable than Shining Path. Why? Because Shining Path has plans that it carries out periodically. Each plan is divided into campaigns; each campaign has a political objective; each offensive has a specific duration; each offensive is the translation of the political objective into military terms; at the end of each campaign there is a period of culmination, which is when they do everything they were unable to do accomplish in past offensives; then comes a plenary session, when they evaluate all of the above. In other words, there is nothing more predictable than Shining Path's political logic.

What is unpredictable is where, how, and on what day they will attack or whom they will kill; because that is terrorism, pure and simple, and that is always unpredictable. But politically, they are predictable.

What serious analyst did not know, for example, that in this last offensive, which was the culmination period for the third campaign, the main victims were Michel Azcueta, Maria Elena Moyano, Johnny Rodriguez, and all the others mentioned by EL DIARIO? The fact that today, in a show of impotence because they were unable to kill them all, they are trying to scare them by telling them they are condemned to death, is nothing more than a sign of weakness. This does not mean that the threatened individuals should feel safe.

[Box, p 17]

"... The Idea of Urban Patrols Terrifies Them"

[IDEELE] What do you think of the proposal to create urban patrols?

[Gonzalez] Absolutely necessary because of the terror Shining Path has of them. I believe, however, that they must make some additional efforts if they are to be effective. On the one hand, the police and military forces should have faith in the existing popular organizations, even if some of them are rather radical. They must begin by respecting them and by realizing that they enjoy a legitimacy that, unfortunately, the law enforcement

agencies do not have. Secondly, the popular leaders of the various organizations, regardless of their position, must understand that the police officers and soldiers are not there to eliminate them, but to guarantee their safety.

I think that if the country makes the first moves to close the gap that has opened up between the "forces of order," to use a trendy phrase, and the popular organizations in the slums of Lima at the grassroots level (because there will be lieutenants and captains there, not generals), it will have taken a very important step forward.

[IDEELE] Some claim that in the case of the urban patrols, Shining Path wants to avoid what happened in the countryside, in that once the patrols are formed, they are much more difficult to confront than before they are formed.

[Gonzalez] Moreover, in EL DIARIO No. 620, the term "mesnadas" ["foolish followers"] is no longer used; on the contrary, they say that in Ayacucho, soldiers disguise themselves as [peasant] patrol members so they can attack patrol members who did not want to go out and kill other patrol members. In other words, this is already practically a hallucination: Shining Path denouncing the Army and defending the patrol members attacked by other patrol members. This means that they have changed their attitude because they have lost the countryside. Anyone who says they have not, is not serious. [end of box]

[IDEELE] And what about the future?

[Gonzalez] I think that the campaign against "revisionism," for example, will continue, but with much more force. The campaign against what they call "obstructionism" is aimed at five entities: popular organizations; non-government agencies, which they see as the refuge for the cadres of the political parties that used to belong to the left in Peru; the Church, that which is most closely tied to social action and that which is aid-oriented, pure and simple; the human rights groups, which they view as the escape valve, people who claim the system is good but that there are bad people who carry out bad deeds, and therefore, everything can be corrected by filing some complaints about human rights; and finally, as indicated in the latest issue of EL DIARIO, those who are involved in analyzing and disseminating Shining Path's political objectives.

[IDEELE] A few months ago, you said that the chances of Shining Path seizing power were nil. Do you stand by that opinion?

[Gonzalez] Yes. The most that Shining Path can aspire to is to generate a kind of civil war. I think it is a nonviable project, but unfortunately, it is also making the country nonviable, because the country has no response and no clear solution to the problem of political violence.

We are close to "commemorating" the 12th anniversary of Peru's consent to live with political violence, with the subversion, and with Shining Path, in particular. This is a good time to reflect on what we have done, and I think we have made mistakes that we should never make again. One of them is being unable to grasp the extent to which Shining Path was, is, and will always be, whether we like it or not, a Peruvian abortion. The abortion, with its thousand defects, of a country that never became a nation, never managed to solve its essential problems.

In the second place, we must not remain on the surface of things, but must penetrate to the substantive issues. For example, since IDEELE is a magazine that defends human rights and has no desire to attack them, but merely wants to assess the problem, I think all of the criticism during these 12 years of political violence has focused on whether the military and the police respected human rights. No one here ever discussed the problem of whether there was a strategy that went beyond that, one that would solve, for example, the problem of the political vacuum that exists.

We cannot focus on human rights alone, because we are simply not solving the key problems. For example, a short time ago the famous legislative decrees were discussed, and everyone spent all their time talking about how much power the military had or did not have. No one, not a single political group, proposed that other sectors of the state participate in the confrontation with Shining Path.

[IDEELE] As a party who has been directly involved, I should say that we have a very different position on the role of human rights organizations. We believe that there has been a clear, explicit, and open rejection of the atrocities committed by Shining Path, and that it goes back a long way. However, these human rights groups, which are also undoubtedly working for peace in Peru and also reject Shining Path, have a clear awareness that the repeated violations of human rights in our country are a factor that helps Shining Path to grow....

[Gonzalez] Let us leave that aside; I am in complete agreement. I am not referring to the IDL [Legal Defense Institute] or other human rights organizations; I am referring to the political parties that have limited themselves to criticizing human rights issues and only see problems in terms of human rights. That is what I am referring to specifically.

But I would like to return to the discussion of the legislative decrees. No one called for other sectors of the state to participate as well. For example, if you go to an emergency zone today, you will find a soldier who is a doctor, one who is a teacher, another who is a nurse, another who is an engineer. A soldier who is less and less a soldier.

[IDEELE] Excuse me, your criticism seems perfectly valid. But it does not take into account the fact that one of the main objections to the legislative decrees was that

they reinforced the centralism of the military philosophy. When people claimed, for example, that the Unified Pacification Command had no real power, when they complained about the lack of civilian leadership, that was the direction they were going in. The principal problem with the legislative decrees is really that there was no progress, and in fact there was regression.

[Gonzalez] I disagree with many legislative decrees, but I do not think the amendments approved by the legislature are viable....

[IDEELE] Among other reasons, because the executive branch apparently does not have the slightest intention of implementing them....

[Gonzalez] When I spoke to you of soldiers who are doing everything they should not be doing, I was talking not only about emergency zones, but about Raucana, which is 10 minutes away from here. There again, the soldier serves as doctor, teacher, and everything else at once, without any admissible reasons of security to justify the absence of educational or health officials. The only way I can explain this is a philosophy that evidently gives priority to military matters in Lima.

But the draft approved by the legislature does not take into account the fact that if you go to any rural area in Ayacucho, you will not find a single mayor; all you will find are [peasant] patrols. And the legislative power is being given to the mayors and to the region, a region headquartered in Ica, and when you go to Ayacucho you go to the Tourist Hotel of Huamanga, and you never go more than a kilometer away from there, and always with military protection.

The problem lies in the fact that there are parts of the country where the state and the political parties have withdrawn, so there is no civilian presence whatsoever. So in those areas, the military has taken charge. They have taken over, and I think that is fine, but temporarily, and I emphasize temporarily. What I do see is that there are some within the government who believe that function should be permanent.

[IDEELE] What do you mean by temporarily?

[Gonzalez] Until the conditions are right so that in some emergency zones other sectors can take over. In Ayacucho, for example, there are [peasant] patrols in most areas, and there is no longer any reason why a teacher or a doctor cannot go in there.

Because I think that what we must do here is begin to destroy several myths. The first is that a national accord will solve the problem. We can solve the problem in Lima that way, we can solve the problem in several slums of Lima, but that will clearly solve nothing in Ayacucho or in the Huallaga or in any other part of the country where things are hot.

[IDEELE] I gather, then, that the ideal thing in your view would be for the armed forces to be a kind of rebuilder of

the social fabric, which would gradually create the conditions to restore the presence of the state. Would that not require, to begin with, a change in the conduct of the armed forces in many emergency zones and in the relationship they have with the populace? That relationship has involved many human rights violations, and a resultant mistrust on the part of the citizens....

[Gonzalez] We need to begin a process that will develop on two parallel tracks. On the one hand, we must reactivate the political war in the country. The political parties retreated along with the state. Wherever Shining Path came in, they packed their bags and took off, and that definitely cannot continue. The political parties, to begin to deal with the problem, must return to those areas and carry out those old "crusades" that they launched in the 1970's. As long as they have no presence, they will never have even the moral authority to call for a new strategy that gives priority to the political over the military, because they would simply be engaging in demagoguery.

In the second place, I think the other myth that must be destroyed is that this can be completed overnight. Twelve years have gone by, and 12 years is no small thing; during these 12 years, more than half the population has become involved in the problem of violence. All of the institutions are compromised, and today we are a country that has been almost completely torn apart. That is why we must think in terms of a process in which the conditions will be created to carry out a kind of "transfer of power" from the military to civilian authorities, to the political parties. I think Morales Bermudez's famous phrase is applicable today as well, because if the military abandons Ayacucho today, just to give an example, Shining Path will seize it.

The other myth is that there is a third way. I think that if that were a topic of discussion and debate, the death of Maria Elena Moyano would have ended any notion of a third way. I think the situation is simple: Shining Path is the group that is writing the rules of the game right now, not us. And they have decided that in this war, there is no middle ground. They confirmed that recently in an editorial, which also referred to the human rights organization. It said that in this war, one is either with the party and therefore with the people's war, or one is against the party and therefore against the people's war.

In that context, I think the choice is clear: They have placed us in the enemy's trenches, so we cannot continue saying that we will fight against Shining Path and at the same time against the armed forces. We must understand that the political struggle, in which people may disagree on matters of economics, foreign policy, fishing policy, etc., is one thing, and the struggle for democracy is quite another thing. This does not mean that you have to stand behind the military and salute the flag, put on a uniform and march.

[IDEELE] You have presented a number of basic ideas for a different tack in the strategy against violence. Do

you think the Fujimori government is taking significant steps in that direction, or is it persisting in the errors of the past?

[Gonzalez] I think some paradoxical developments are taking place in Peru that do not occur anywhere else in the world. The military has been claiming for years that the strategy should be political, while politicians such as Javier Diez Canseco, whenever a major attack takes place, put the interior minister or the defense minister on the hot seat. When the ministers finish their presentations, they are accused of having no strategy against subversion. But might it just be that they have no reason to have a strategy against subversion, because this is not a problem for Interior or Defense to deal with?

[IDEELE] The question was not about the military, but about the Fujimori government. Does it have a proper grasp of the problem? Is it taking the right steps?

[Gonzalez] It has made progress on some things, not on others. The fact that the peasant patrols have been armed and that they have maintained a certain autonomy, is positive. The fact that they are not getting all the help they need, especially right now—help, moreover, that would not represent a major disbursement of funds—is negative. In the second place, it is important that it has tried to take an aggressive stance on Shining Path; before, whenever anyone mentioned Shining Path, a lot of people would hide their heads under the pillow. This government, in contrast, has said: Look, gentlemen, here is a cassette of Guzman. Look how he drinks, look how he dances; this is he, here he is. They really pulled a fast one on him, because they created a very serious security problem for him. They also seized houses and important documents. And the matter of the million dollars is also important, for example; Guzman cannot even trust his own shadow now.

I think the government senses what the problem is; it is aware that there are no political forces in Peru capable of confronting Shining Path in all of the rural areas, and that is why it is keeping the armed forces there. The main negative aspect of the government is that it does not understand that in Peru today it is no longer a question of just defeating an armed group or capturing Abimael Guzman.

Three problems must be solved: first, how to effectively defeat the armed groups; second, how to establish a new state presence throughout the national territory; and third, the key problem, how to create the conditions to reactivate the country's political life. There is not yet a willingness to solve this problem, either on the part of the government or on the part of the political forces.

I also have the impression that the government has failed to understand that the success of its economic policy depends on whether it manages to stabilize the country, because history shows us that no politically unstable country can be economically stable.

All of the Peruvian people's efforts to adopt a liberal model which, like it or not, has its consistency, may go down the drain if this is not achieved.

Finally, in this regard we must also say that the future of Shining Path also depends on what is done or not done in the fight against drug trafficking.

Given that this is an election year in the United States, and the military and economic aid has not been as much as was promised, and given that the members of the Tupac Amaru Revolutionary Movement (MRTA) are trying to kill each other off, the conditions are right for Shining Path to grow not only in the Upper Huallaga, but also in the Central Huallaga and the Lower Mayo. That would be very serious indeed, and it does not just depend on what is done in Peru, but also on how committed the United States proves to be.

[Box, p 20]

"Everyone Is Waiting for Them to Bomb Me"

[IDEELE] What do you feel at this point, having been so violently, constantly, and systematically assaulted by Shining Path? How has that affected your life?

[Gonzalez] I would say that initially, like any human being, you are very worried about it. When you get home, it is not the same anymore, because everyone begins looking through the windows to see if they are going to bomb you. Your friends would rather not go out with you, because you are a dangerous person, and they begin treating you almost like a leper, or else like a pariah. The worst comments and the greatest disappointments I have felt are those of the people who had always encouraged me, but when the going got rough, they said to me: "You should be cautious," and "You should not get involved." I think there was no consistency between what people said and what they did.

In that regard, we are failing to seize the initiative, and I include myself in that. When EL DIARIO, for example, threatens a group of intellectuals for what they think, and you find that no one will say a single word in defense of you, of your physical safety, except for two or three editorials. When you realize, on the other hand, that they have picked up a Senderist leader and the next day you see pages and pages in the newspapers with all kinds of signatures supporting their opinions and calling for their release, I think we have let them seize the initiative from us.

[IDEELE] Is your departure from the country temporary or permanent?

[Gonzalez] I think it will be very short; several factors have combined. First, a sector of the government decided to cancel the support it had been giving me for my personal safety. On the other hand, some opportunities came up, and I received invitations from several good friends, including some speaking engagements. I

imagine I will run into more than one Senderist, and we will continue the discussion.

What has happened to me leads me to believe that the Peruvian state should learn to appreciate and understand that we must provide better treatment to our supposed allies; Raul Gonzalez can afford to travel abroad, to go work somewhere else, but other people cannot afford that luxury, and other people will be blown to bits.

Uruguay

Bridge Bombed; Lacalle Vows To Punish Terrorists

PY0205145692 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1123 GMT 2 May 92

[Text] Montevideo, 2 May (AFP-NA)—Uruguayan President Luis Alberto Lacalle early this morning publicly stated that he will not tolerate any terrorist outbreak in the country. He issued this warning in the wake of a 1 May bomb attack against a bridge located 100 km northeast of Montevideo. The attack caused no injuries.

A self-styled "Juan Antonio Lavalleja Command" ["Comando Juan Antonio Lavalleja"] claimed responsibility for the attack, which came two days after a similar attack against an office of former President Julio Maria Sanguinetti (1985-1990) that did not cause injuries either.

Through a televised communique, Lacalle announced that he will contact all political leaders to prove to the presumed terrorists that "national unity is an accomplished fact."

Interior Minister Juan Andres Ramirez, who visited the city of Minas to assess the attack against a railroad bridge located in a nearby unpopulated area, reported that the blast was heard early on 1 May from 15 km away.

The minister noted that although the explosion was powerful, it did not cause major damage because "it just blew up a section of the railroad and destroyed a steel sheet and a piece of concrete at the head of the bridge."

In light of the frequent attacks, President Lacalle emphasized that "the full weight of the law will fall upon those who, from any extreme of the political spectrum, are seeking to make the nation endure again the consequences of terrorist intolerance."

Union Message Rejects Government on Integration

PY0205141092 Montevideo Radio Carve
in Spanish 0000 GMT 2 May 92

[Passages within quotation marks are recorded]

[Excerpts] The PIT-CNT [Interunion Workers Plenum-National Convention of Workers] has rejected the policy being implemented by the government regarding regional integration. This can be deduced from the text of the lengthy message read by two PIT-CNT leaders

during the central ceremony in which the labor union celebrated international Labor Day.

The message also rejects the government's economic and salary policies and the bill that calls for an urgent reform of the social security system, which the executive branch has submitted to Congress.

In another part of the message, the workers called for policies aimed at improving the fields of health, education, and housing.

Leader Hugo de Melo read part of the message:

"Access to the international market is becoming increasingly more difficult. The well-known GATT covers only 7 percent of the market, while the remaining 93 percent adopts protectionist policies. [passage omitted]

"Our government has decided to open the country to the region and the world in the worst possible sense. It has thus seriously endangered the labor and productive future of broad areas of our society.

"It also has given a new and decisive impetus to the implementation of its economic and salary policies, which are clearly in keeping with the conditions established by international financial organizations, and which go against the interests of the people. [passage omitted]

"Between the demands of an international financial organization and the needs of the people, the government clearly has chosen to meet the demands of the international organization that allegedly promised to grant it a craved-for loan of some \$100,000. The government has publicly announced its decision to meet these demands. [passage omitted]"

The PIT-CNT message referred to the salary adjustment mechanisms as follows:

"[Passage omitted] At the governmental level, this administration has failed to comply with all the promises made regarding the adoption of measures to prevent a decrease in salaries' purchasing power and to begin a moderate process of economic recovery. [passage omitted]" [passage omitted]

"We must, therefore, bluntly reject this policy, and promise to do our best to reverse the government decisions."

Armed Forces To Join Cambodian Peace Operation

PY0505173492 Montevideo BUSQUEDA in Spanish
30 Apr 92 p 13

[Text] Defense Minister Mariano Brito has stated that the United Nations took into account the "professionalism and responsibility" of the Uruguayan Armed Forces when they were selected to participate in the multinational military unit that will oversee the Cambodian peace agreement.

During a news conference that he gave at the Army headquarters on 29 April, Brito confirmed that some 850 Uruguayan military from the Army, Air Force, and Navy will depart for Cambodia during May. They will join 20,000 other military men representing the United Nations in Cambodia.

Brito stated that the mission of these military men is to see that peace is maintained in Cambodia, where elections are scheduled for 1993.

On 28 April the executive branch sent a message to Congress asking that these military men be allowed to leave the country for a minimum of 18 months.

The minister has named this mission "Operation Cambodia." He denied the rumors that indicated that two Navy officers already in Cambodia were wounded when a mine exploded.

Venezuela

*** Coup Leaders on Ochoa Antich, CAP, DISIP**

92SM0368B Caracas EL DIARIO DE CARACAS
in Spanish 7 Apr 92 p 7

[Article by Mariela Gomez]

[Text] Article 66 of the National Constitution states that all Venezuelans have the right to be informed and to express ourselves. For journalists, this is the reason for our daily work. Last Saturday, two reporters (from radio station YVKE Mundial and EL EXPRESO) were arrested at the San Francisco de Yare Metropolitan Penitentiary Center for allegedly "violating the rules of the prison." Despite this development, EL DIARIO DE CARACAS took the statements of the 10 military defendants who have been held at the prison since last Thursday.

To begin with, Commanders Hugo Chavez Frias and Francisco Arias (accompanied by Ronald Blanco La Cruz, Ivan Freites, Carlos Diaz Reyes, Carlos Torres, Luis Duarte, Antonio Rojas, and Emilio Lopez) questioned the apparent "manipulation" of their situation by the executive branch. Since their transfer from San Carlos, the 10 defendants have not been able to learn the reasons for the decision, which was presented to them as a matter of "life or death" to reveal the "character and personality of the High Military Command at a time when the country is falling apart."

They say that they must be told the real reasons for the transfer, whether it is a punishment or a sanction, if they are being isolated to destroy the movement or because they are in danger or simply to satisfy the "egotism" of the people currently in power.

The statements of Captain Ronald Blanco La Cruz, who said he is concerned because private interests still prevail over those of the country at large, were most noteworthy. His words were: "We are certain that Defense Minister

Fernando Ochoa Antich knew of our movement for a long time. He facilitated our operation in a number of ways, following the instructions of the Jirafa Plan, which was simply to allow us to go out and then carry out a counter-coup. His idea was to appear as the savior of democracy."

"Until the last moment, I thought he (Ochoa Antich) was leading the movement. Then I saw Cdr. Chavez as part of the group, but when he took responsibility for the events that occurred, I spoke with him and realized that there was another movement parallel to our own. The generals were trying to stage a rightist coup," he concluded.

Repression Ineffective

Cdr. Francisco Arias Cardenas commented that those in jail will always find a way to make themselves heard. "There is no way except death to prevent the spoken word from coming out, shielded by truth and honor. They still believe ideas can be killed."

He said that on several occasions he has questioned the administration's erroneous policy of repressing the people's legitimate protests.

"These repressive measures are a consequence of the belief that old-fashioned measures can be taken to handle situations that are concrete and dynamic, and that warrant advice not from the old guard who rely on police methods to deal with things, but from political analysts."

Although the president does bring in some advisers with a clear vision of what is going on, he carries out only 30 percent of what the Advisory Council says, for example, and the rest comes from the classic "intelligence" community, added Arias Cardenas.

In his view, this situation is becoming more complex. "The problem is that an inappropriate remedy is being applied to an illness that is specific and real, and therefore another illness could easily result. At this time they are resorting to widespread repression, even though they know that under these circumstances people's dignity and values grow stronger. They should think about the spiral of violence, the hatred that can also be generated in part of the population," he said.

Then Hugo Chavez Frias expressed the opinion that "the government is in a bad way because it is only supported by the paramilitary forces, which would be happy to continue the repressive game. "They do not understand that this situation brought us to such an extreme that there is no turning back; it is a point of no return which—if they do not give in—could lead to an escalation of violence, culminating in a civil war."

The constant rumors that the Mega Group of the Directorate of Intelligence and Prevention Services [DISIP] is undergoing training in Charallave to assassinate the commanders are seen by the latter as proof that the government thinks it can return to normal just by

isolating and eliminating them. "They do not want to accept a noble solution that could be achieved through political measures, despite recent experiences such as those of Eastern Europe," he added.

Rebel Officers

"To begin with, what brought us here was not rebellion," explained Arias, "but rather an arbitrary decision by the minister and the judge in charge of our case, neither of whom have we seen yet. The minister said that we would be held at Yare until the trial is over, and that could well be when the regime is over, maybe sooner rather than later.

"In any event," he stated, "there cannot be any sanction as such because the alleged offenses we are committing have nothing to do with the crimes of those who have not yet been prosecuted. They continue to violate established laws."

Along other lines, Arias confirmed that one of the factors that precipitated the coup was that they were going to be sent to Haiti as part of the UN mission, "but not because we were afraid to fight, because that is what we were trained for. We opposed the idea out of Latin American consciousness. The idea was to refuse to validate an antihistoric and antinationalist attitude." He added that it came up because the political police were pressuring the officers to go, now or never. He also emphasized the notion that Carlos Andres Perez [CAP] knew what plans were afoot, because one of the coup leaders' car was even burned.

Cdr. Arias further stated that the police minds came up with several alternatives in this regard: In one scenario, the president would wait outside the country while loyal officers, if defeated, received support from the U.S. Marines, and even if there were bloodshed, the president would come and install himself as the savior. They opted for the third alternative, "take everything with the best forces and turn over the weapons to them. That was the political move that the government has still not analyzed, and that is why it failed."

Arias also commented that among middle- and lower-ranking officers (92 percent), there are people who disagree with the situation. "Of course, agreeing is different from being able to fit within a mobilization in which the heads of the Army are involved." He explained that other reactions have been seen, as in the case of Bracamonte and other isolated officers who are engaging in slowdowns. "There are some who engage in sit-down strikes, and others who are slowly beginning to oppose obeying the orders of immoral officers. There are many, many different ways to fight, because this is not an eminently simple struggle. There are thousands of variables in expressing discontent, including banging on pots and pans, holding marches, and abstaining from voting in elections."

Arias took this opportunity to confirm that it is true that the country's political police kept part of the arsenal that was confiscated after the events of 4 February. He

explained, however, that there could not be a confrontation with the Army because it would be an uneven fight. "The DISIP does not have the ability to defend the people, and even if it did, it would only try to cover a few objectives."

Official Mockery

Finally, the Bolivarians questioned the attitude of the defense minister and top-ranking officers, who have apparently "mocked" them during the few visits they have made to the prison. Ochoa Antich even sat at the end of a hallway for the purpose of meeting with each of the defendants, reported Chavez. When the first man approached him, he got up and left.

Along those lines, they call upon the attorney general and the representatives of the Church (Moronta, Olasso, and Sosa, among others) to keep their promise to make sure human rights are respected in the prison.

As for the commanders' situation in the prison, where they are housed with common criminals, some of them very dangerous, they are keeping a stiff upper lip.

* Copre Proposes Elimination of Energy Ministry

92SM0370A Caracas EL DIARIO DE CARACAS
in Spanish 7 Apr 92 p 24

[Article by Jose Suarez Nunez]

[Text] In the working papers of the Copre [Presidential Committee to Reform the State], the possibility of eliminating the Ministry of Energy and Mines [MEM] in the long run and assigning its functions to a new secretariat of energy, oil, gas, and petrochemistry is taken up.

The ambitious plan to redistribute the current functions of 16 departments among nine ministries also raises the issue of reassignment of the state payroll of 1.3 million employees, of whom 600,000 are laborers. The central administration employs only 300,000 persons, while the balance work in the autonomous institutions and state enterprises.

The removal of oil and petrochemical affairs from an institution on the ministerial level is unrelated to the occasional clashes that have occurred between the minister of mines and PDVSA [Venezuelan Petroleum, Inc.].

There is also another suggestion, which would retain the Ministry of Energy but transfer the concerns of the mines and geology departments to a new body. It would be an entity called the Mining and Geological Service and would have separate legal status, such as exists in the United States and some European countries.

According to some observers, the dismantling of the Ministry of Energy and Mines would be a mistake because it is the least costly ministry to operate and that with the lowest budget (1 billion bolivares per year). And from the technical point of view, it is the body that

establishes the guidelines for the oil sector, which accounts for 90 percent of the country's foreign-exchange income.

Assuming that the Ministry of Energy and Mines were to cease to exist, the Ministry of Finance would have to deal directly with PDVSA on foreign-exchange matters; energy guidelines would be the responsibility of another secretariat, and the bylaws of Venezuelan Petroleum, Inc., as an affiliated body, would have to be amended.

Another issue being studied by the technicians who are addressing state reform is the fact that the 1943 Hydrocarbons Law is not really up to date. The reason is that it was promulgated to control the businesses holding international concessions, which formerly handled the oil business in this country.

The law reserving trade in and the industrial processing and exploitation of hydrocarbon resources for the state, known as the Oil Nationalization Law, was a temporary measure that achieved its purpose when the state took over direct responsibility for the oil business.

To date, the state has been operating on the basis of legal norms that have nothing to do with the regulation and control of hydrocarbons. A committee of expert lawyers, including Altuve Carrillo, Silva Calderon, and Julio Cesar Arreaza, was appointed some years ago to bring the norms up to date in terms of the current reality.

A veteran legal expert has stated that what is needed, instead of an amended law, is a new one.

If this view was adopted, a superministry of economy would be created, together with three or four secretariats that would incorporate Cordiplan [Office of Coordination and Planning], the Venezuelan Investment Fund, and other technical bodies. The Ministry of Health and Social Welfare could absorb a number of bodies, such as Social Security and all of the departments concerned with health.

The possibility of having a civilian minister of defense is also being contemplated. There would be a reorganization of the promotion system and a military structure based on merit, with the agreement of the armed forces. Although the military forces would remain nondeliberative, they would have voting rights.

The plans for the general reform of the state would call for more decentralization of authority to the benefit of the governors and the regional bodies.

Several years ago, a study known as MAC [expansion not given] was undertaken with a view to transforming the Ministry of Energy and Mines into a smaller, highly technical body responsible for setting the guidelines for the energy sector—a kind of brain trust that would do away with all the bureaucratic red tape. This study called for the transfer of a whole series of functions exercised by the MEM to the oil industry.

Currently, the oil industry must theoretically ask the department for authorization when plans call for the drilling of a well, as well as in connection with other technical issues. This practice dates back to the oil-concession era. The fiscal system is also being examined. It is very complex, because instead of just one tax, there are seven that must be paid. This constitutes an antiquated, bureaucratic paper tangle for the Ministry of Finance.

A number of lawyers with extensive experience in the field of hydrocarbons have stated that breaking the Ministry of Energy and Mines up into various separate bodies would not be desirable. This is because it would weaken the flow of technical communications that presently exists between the MEM and the oil industry, the sector responsible for the bulk of the country's foreign exchange income.

* New Foreign Investment Decree Discussed

92SM0370B Caracas EL UNIVERSAL in Spanish
Section 2, 31 Mar 92 p 4

[Article by Fanny Perez V.: "There Will Be No Foreign Investment in the Media"]

[Text] Foreign investment will not be allowed in the communications media—radio and television—nor in the professional sectors regulated by domestic laws. Thus only Venezuelan investors will have access to these economic activities.

These provisions were set forth in the new decree on foreign investment identified as No. 2095. It replaces an earlier decree, No. 727, which has regulated everything pertaining to foreign investments in Venezuela since 18 March 1990.

This juridical change was effected in response to the mandate to make Venezuela consistent with Decisions 291 and 292 of the Andean Subregional Pact pertaining to the foreign investment sector. As we reported in earlier news articles, the national executive branch reversed its earlier decision to authorize foreign investment in these sectors. Its new rulings reserve these sectors for domestic capital. They include the print and electronic communications sectors and the professions regulated by law, such as administration, law, the mass media, engineering, architecture, and related arts, as well as many other fields governed by specific laws, which should be the exclusive purview of Venezuelans.

The new decree contains 57 articles, and it provides the most flexible scheme for foreign investors this country has ever offered. It gives them maximal advantages and opportunities for pursuing their activities in Venezuela.

The Andean Pact countries, as a whole, approved the norms comprising this decree at the beginning of this year. Their basis was the new belief in these countries that foreign capital should be given the broadest juridical range possible in view of the flight of capital from the

region in the 1970's. This occurred, among other reasons, because of the precarious economic stability resulting from the enormous foreign debt.

In this connection, Venezuela also reoriented its strategy, just as the other countries had done, in order to enable foreign capital to fill the financial gap created by the international banks' policy of shutting down credit for Latin America.

The new Decree No. 2095, then, follows this orientation. The most notable feature of this legal norm is that foreign enterprises will henceforth be able to take advantage of the Andean market and its free-trade zone. They will be able to export their manufactured goods to any of the Andean countries without paying customs duties. In other words, the advantage offered foreign investors by the regulation now in effect is the same treatment as domestic businessmen.

Thus the goods produced in the subregion will have the same competitive capacity, in terms of customs regulations, as those produced domestically.

It is presumed that this equal opportunity to take advantage of the Andean free-trade zone being offered to foreign businessmen will encourage them to invest in the region, because their products will be offered to consumers under the same pricing conditions as those of domestic producers.

It is also presumed that enterprises in the process of conversion from foreign to domestic ownership will not have to continue this process. We should recall that under the norms previously in effect, enterprises that sold shares to Venezuelan citizens enjoyed greater advantages than those that remained under foreign control. All of this has changed.

Technological Contributions

Among the novel aspects of the new decree is that it regards technological contributions as initial enterprise capital (Article 2, paragraph D). "The benefits resulting from intangible technological contributions such as trademarks, industrial models, and technical assistance and knowledge, whether or not patented, that can be presented in the form of physical assets, technical documents, or instructions will be regarded as direct foreign investments."

In addition to this new definition, the new system provides for the registration of contracts for technology and direct foreign investments by the Foreign Investments Authority [Siex]. On the basis of this premise, this body is undergoing a process of reorganization that will involve reducing the existing number of employees in order to use them for these specific tasks. An official source has informed us that Siex has a staff of 80 employees, which is to be reduced to just 20. Only the best-trained and most competent personnel in that department will be retained.

The legal provisions governing all matters pertaining to trademarks, patents, licenses, and royalties will be dictated by Decisions 291 and 292 of the Cartagena Agreement Commission.

The Siex advisory commission will be expanded to include a larger number of entities. Corpoturismo [Corporation for National Tourism], the Investment Fund, and the Central Bank of Venezuela have been incorporated, as have the Ministries of Foreign Affairs, Finance, Development, and Energy and Mines; Cordiplan [Office of Coordination and Planning]; the Foreign Trade Institute; and Conicit [National Council for Scientific and Technological Research].

The head of Siex will have the authority to call in representatives of public and private bodies when the issues to be decided require it.

This same decree further provides that the Banking and Insurance Authority and the Ministry of Energy and Mines also have the authority to effect the registration of investments in these specific sectors.

The Public Finance Office at the Ministry of Finance will be responsible for matters pertaining to the foreign credit operations of the public bodies.

Where the liabilities of foreign investors are concerned, the provisions call for settlement within 120 days of the end of the preceding fiscal period.

For the purposes of establishing the amounts foreign investments, the total value of the assets each investor has in the country will be taken as a basis. Where shares acquired by a foreigner are concerned, the amount of foreign exchange brought into the country by the investor will be taken into account, and when shares purchased on the stock market are involved, the pertinent official certification issued by that institution will be required.

In computing foreign investment amounts, the rate of exchange in effect on the date of the operation will be used, whether the contribution involved is in the form of technology or physical assets.

Foreign firms may establish subsidiaries without any effect on the total direct foreign investment sum registered.

Reinvestment of Profits

Decree 2095 provides that foreign investors will be allowed to remit all of their profits to their countries of origin following payment of the applicable taxes in Venezuela.

Each enterprise must also submit a duly audited report on its financial situation to Siex. Where the conversion of foreign debts into investments is involved, the remittance of profits will be governed by the norms applicable to this matter.

For cases involving the reexport of investments, the decree provides that the owners of direct foreign investments and subregional investments will have the right to transfer, as foreign remittances, the product of the sale of their stocks, shares, or rights, as well as the amounts resulting from reductions of capital or enterprise liquidations.

It has been learned from official sources that an appeal may be filed with the Supreme Court for nullification of this decree because it was published in the GACETA OFICIAL before it had been approved by the Congress of the Republic, as the Constitution requires when international agreements like the Andean Pact are involved.

The same could happen with regard the Patent Law, which should be published in the GACETA OFICIAL this week in order to render it consistent with the provisions of Andean Pact Decision 313 on this subject.

* Industrial Production Down in Late 1991

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[Text] The repercussions of the recent events in our country have not yet been evaluated. Nonetheless, the Venezuelan Council of Industry [Conindustria] asserts, based on figures for the last quarter of 1991, that there is a very appropriate climate for investment, despite the fact that industrial production fell by 6.6 percent during that period. The reasons for the decline were slack demand, inflation, and high interest rates.

Looking at the results of a survey assessing the industrial sector's situation in the last three months of 1991, however, spokesmen for the manufacturing sector could not explain how employment managed to expand, with 19,011 new jobs, or how utilized capacity inched upward from 61.5 to 62.1 percent, in contrast to the slump in production from 43.8 to 37.7 percent. This may suggest a problem of low efficiency and profitability, unless industry maintains the optimism that has caused it to support the macroeconomic adjustment program so ardently.

In any case, the fact is that our nontraditional exports have not taken a turn for the better, and three years into the program, we have not even begun to move toward diversifying the economy and reducing our dependency on oil. Something must be wrong, even though the survey of the industrial situation reveals favorable expectations for the overall picture and a willingness on the part of businessmen to make investments, even in industrial reconversion or plant expansions.

Yesterday the interim president of Conindustria, Jorge Redmond, accompanied by Rogelio Carrillo, coordinator of Conindustria's Center for Documentation and Information, provided detailed information on the survey for the fourth quarter of 1991.

The two leaders explained that production has been seriously harmed by unfair competition from foreign goods (a new way of saying things, now that protectionism has been eliminated). The massive presence of these goods on the Venezuelan market under conditions of smuggling, underinvoicing, and dumping, plus the overvaluation of the currency, the inefficiency of the customs service, and the lack of legislation prohibiting this trade inequality, have all pushed industrial production down 6.6 percent compared with the fourth quarter of 1990. Almost a catastrophe.

Rogelio Carrillo and Jorge Redmond emphasized that in addition to competition from foreign products, manufacturers say that factors such as the lack of skilled labor, financing difficulties caused by high interest rates, the overvaluation of the currency, and inflation also work together to hinder production. These factors are having a negative impact on efforts to expand the Venezuelan industrial sector, they noted.

For example, it was stated yesterday that demand has fallen by 0.67 percent in relation to the third quarter of 1991, 4.1 percent compared with the fourth quarter of 1990. Even so, the variable remained stable.

Conindustria also reported that industrial employment showed similar results, despite the decline in production. Only 165 employees lost their jobs during the fourth quarter of 1991, while 19,011 new jobs were created above the level of fourth quarter 1990. Altogether, industrial employment amounted to 493,858 by the end of last year.

The survey also reveals that the supply of finished goods fell by 1.5 percent compared with the third quarter of 1991 as a result of high maintenance costs. Many industrial sectors are drawing down inventories to meet the backlog of orders.

With regard to this latter point, it should be noted that although inventory and production indicators are down slightly, the average rate of utilized capacity remained stable, going from 61.5 to 62.1 percent in the fourth quarter of last year. This variable rose by 3.30 points between fourth quarter 1990 and the same period of 1991.

Employed Workers by Sector for the 1991 Fourth Quarter

Sector	Employees	Percent
Foodstuffs, beverages, and tobacco	135,642	27.47
Textiles, clothing, leather, and shoes	68,997	13.97
Wood and furniture	14,105	2.86
Paper, printing, and publishing	31,306	6.34
Chemicals, coal, rubber, and plastic	88,484	17.92
Non-metallic minerals	37,315	7.56
Basic metal industry	38,557	7.81
Metal products, machinery, and equipment	78,024	15.80
Other industries	1,428	0.29
Total	493,859	100.00

Inflation Down 6.5 Percent

Redmond and Carrillo explained that annual inflation fell by 6.5 percent in 1991 compared with 1990, and although it has been kept more or less contained, it is still having a major impact on production. Carrillo pointed out, however, that the net balance of raw materials rose 4.10 points from 85.9 to 90 percent between the third and fourth quarters, which means that a greater number of establishments have seen the cost of raw materials continue to rise.

The industrial spokesmen argued that the indicator of expectations for the general economic situation fell by 1.3 percent, from 45.8 to 43.8 percent between the third and fourth quarters, but that this represents a resurgence from the second quarter of 1991, when the indicator fell by 9.40 percent.

The net balance of the indicator of investment expectations rose by 8.8 points, from 41.7 percent in the third quarter of 1991 to 50.5 percent in the final quarter. This suggests that the manufacturing sector is following through steadily on investments. The results of the survey for the first quarter of this year should be interesting.